



City of Green River
City Council Meeting
Agenda Documentation

Preparation Date: April 21, 2016	Department: Human Resources
Meeting Date: May 3, 2016	Department Head: Cari Kragovich
	Presenter: Cari Kragovich

Subject:

Approval to continue the City of Green River Health Reimbursement Arrangement (HRA) Plan administered through FlexShare Benefits and authorization for the Mayor to sign the Adoption Agreement 2016.

Background/Alternatives:

The 2016 Health Reimbursement Arrangement (HRA) Plan is a benefit associated with the High Deductible Health Plan (HDHP) offered to full-time City employees. The annual renewal of this Adoption Agreement governs the rules and responsibilities of the HRA plan and provides for yearly discrimination testing in accordance with IRS Regulations.

Attachments:

Adoption Agreement 2016 – City of Green River Health Reimbursement Arrangement

Fiscal Impact:

Fees associated with the HRA plan renewal are unchanged from the 2015 HRA Adoption Agreement and are included as part of the Human Resources budget for Benefits Administration.

Staff Impact:

N/A

Legal Review:

Submitted to City Attorney Galen West for review on April 21, 2016.

Adoption Agreement 2016

City of Green River Health Reimbursement Arrangement Plan Year Ending December 31, 2016

The undersigned Employer, by executing this Adoption Agreement, elects to continue the accompanying Health Reimbursement Arrangement (the "Plan") by adopting said plan document in full. The Employer shall make the following elections granted under the provisions of the plan.

1. **The Name of the Employer** is City of Green River. City of Green River shall be the **Plan Sponsor and Plan Administrator**.

**City of Green River
50 East 2nd North
Green River, WY 82935**

Telephone: 307-872-0554

EIN: 83-600065

The Administrator keeps the records for the Plan and is responsible for the Plan. The Administrator may be contacted and answer any questions regarding the Plan.

2. **Employer's Principal Office:**
This Health Reimbursement Arrangement Plan shall be governed under the laws of the State of Wyoming.
3. **Plan Code (IRS Plan Code): 550**
4. **Plan and Plan Year:**
The Name of the Plan shall be the City of Green River Health Reimbursement Arrangement Plan (the "Plan"). The initial Plan Year shall begin on July 1, 2013 and end on December 31, 2013. Future Plan Years will be based on a full twelve-month period beginning each January 1 and ending each December 31.
5. **Effective Date:**
 - ♦ This Health Reimbursement Arrangement shall be effective as of January 1, 2016.
6. **Open Enrollment:**
 - ♦ Open enrollment shall follow group health insurance at the beginning of the Plan Year.
7. **Plan Entry Date.** Employees eligible to participate may become Participants:
 - ♦ Same as Employer's group health insurance plan.
8. **Eligible Employees Included in the Plan:**
 - ♦ Employees **enrolled** under Employer group health insurance Plan C.
9. **Election Changes based on Eligible Change in Status:**
A participant must notify and provide to human resources in writing, documentation supporting the qualifying change in status. A change in status form will be provided to FSB. If a specific Benefit allows for a change in contribution and annual election, the status change must be made within 30 days of the qualifying event. All other changes in elections may only be elected during Open Enrollment or other qualifying events.
10. **Access to Contributions by Participants.** Other than for Retiree/COBRA continues, the employer shall make all contributions for this Plan. The employer shall make access to benefits for the Plan in the following manner:
 - ♦ Annually on July 1 (FlexShare Benefits to invoice City of Green River before June 15th)

11. **Contributions for Participants enrolled midyear will be funded:**
- ◆ Newly eligible participants will receive a pro-rated amount based on the number of months remaining in the plan year at the time of plan entry.

12. **Contribution/Benefit Rollover Amounts.**
- ◆ All remaining balances may roll to subsequent years up to a maximum of \$5,000.
 - ◆ None of this amount may be paid in cash or other form of distribution, other than through reimbursement of eligible medical expenses incurred

13. **Employer Election:**

Description	Annual Election Limit
Individual (Single)	\$500.00
Subscriber and Children (SPD/Family)	\$700.00
Couple (2 Party-Adults)	\$1000.00
Family	\$1200.00

14. **Benefits.** The Plan shall reimburse Eligible Employees for the cost of Eligible Medical Expenses (as defined under Internal Revenue Code Sections 105 and 213 (without regard to the limitations contained in Code Sec. 213(a)), any accompanying regulations or other applicable Treasury guidance information and as further described below), subject to the Annual Election Limit.

- ◆ **Comprehensive.** All medical, prescription, dental and vision expenses not otherwise covered by insurance or any other reimbursement (e.g., co-pays, co-insurance, deductibles, fees, etc.), as determined eligible by IRS Code Section 105 and 213(a).

15. **Order of Benefit Payments.** If the Employer sponsors a Section 125 Flexible Spending Arrangement, in addition to this Plan:

- ◆ Eligible Medical Expenses must be paid under the Section 125 Plan before this Plan.

16. **Benefit Payments from prior year.**

- ◆ Contributions from current plan year and roll from prior plan year may only pay for current plan year claims, subject to participant's eligibility.

17. **Run off Periods for current participants:**

- ◆ Employees will have 30 days from the end of the plan year to submit HRA claim requests from the plan year.

18. **"Retirees" shall only be considered as those employees** who have satisfied the Employer's terms and conditions for retirement.

- ◆ Retirees have unlimited access to HRA money deposited prior to retirement, until depleted. No further contributions to be made by the Employer.
- ◆ Annually, FlexShare Benefits will deduct the admin fee from the retiree's HRA balance. (Upon retirement, the admin fee will be deducted from retirement month through the end of the plan year)
- ◆ The admin fee will coincide with the admin fee charged to the Plan.

19. **Terminated employees not accepting COBRA continuation:**

- ◆ Shall have 30 days from termination date to submit for reimbursement expenses **incurred** prior to termination date.

20. All Employees, **other than Retirees**, leaving employment for any reason:
- ◆ Shall be governed by COBRA guidelines.
21. **COBRA Administration:**
- ◆ FlexShare Benefits shall administer HRA COBRA benefits to qualifying participants.
22. **COBRA Continuation for Qualified employees offered COBRA for this Health Reimbursement Arrangement** may be inclusive with the COBRA offering of the employer's plan sponsored health insurance or may be offered completely separate. Your Employer has determined:
- ◆ If Employer qualified for federally mandated COBRA, offering for the HRA will be inclusive-optional for the employee choosing COBRA for the group sponsored health insurance plan. An employee choosing COBRA for group sponsored health insurance plan will be eligible and have the option to choose COBRA HRA. (If a terminated employee chooses COBRA health insurance, the terminated employee has the option of choosing COBRA HRA. If COBRA for health insurance is declined, COBRA HRA is not available.)
23. **Authorized Signatures:**

By _____
City of Green River (Authorized Signature)

Date _____