



Legislation Details (With Text)

File #: ID19-11408 **Version:** 1 **Name:**

Type: Action Item **Status:** Agenda Ready

File created: 10/4/2019 **In control:** City Council

On agenda: 10/24/2019 **Final action:** 10/24/2019

Title: ***Approve the amended City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document (Subject to Mayor’s veto)

Sponsors: Personnel Services Department

Indexes:

Code sections:

Attachments: 1. HRA plan revisions 2019 - FINAL, 2. HRA plan revisions 2019 - REDLINE

Date	Ver.	Action By	Action	Result
10/24/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

October 24, 2019

FROM: JEFF CARDELL, Director
Personnel Services Department

BY: KEN PHILLIPS, Labor Relations Manager
Personnel Services Department

SUBJECT

***Approve the amended City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document (**Subject to Mayor’s veto**)

RECOMMENDATION

It is recommended that Council approve the amended City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document, effective October 24, 2019.

EXECUTIVE SUMMARY

Pursuant to the Memoranda of Understanding between the City and Fresno Police Officers Association (FPOA), Non-Supervisory Police for Unit 4 and Police Management for Unit 9, effective June 24, 2019 respectively, Council is asked to approve the amended HRA Plan Document to allow for HRA accounts to be used for reimbursement of post-retirement out-of-pocket qualified medical expenses.

BACKGROUND

On March 1, 2006, Council approved and adopted the HRA Plan Document. The Plan was established to provide a means for reimbursing plan participants for their post-retirement health insurance premiums. In January 2019 Council approved and adopted an amended Plan Document which was revised to provide clarity, implement updated language, and incorporate general clean up.

In June 2019, Council approved a successor Memoranda of Understanding between the City and FPOA for Unit 4, Non-Supervisory Police, and Unit 9, Police Management. The MOUs include a provision for the City to amend the HRA Plan Document to allow for HRA accounts to also be used for reimbursement of post-retirement out-of-pocket qualified medical expenses, and present the document to Council within 120 days of adoption of the MOUs for its consideration to allow HRA accounts to be used for reimbursement of qualified medical expenses. Currently, FPOA Basic and Management are the only units requesting plan participants, with Council approval of the amended Plan Document, to use HRA accounts for reimbursement of out-of-pocket qualified medical expenses in addition reimbursement for post-retirement health insurance premiums.

The amended HRA Plan Document presented to Council for approval allows HRA accounts to be used for reimbursement of qualified medical expenses as defined in Internal Revenue Code Section 213(d), and further detailed in Internal Revenue Service Publication 502. Similarly to requests for reimbursement of post-retirement health insurance premiums, reimbursement for qualified medical expenses will be made upon proof by the plan participant to the Personnel Services Department of the incurred medical expense, and reimbursement will be made up to the amount available in the participant's HRA account until the participant's account reaches a zero balance. There shall be no reimbursement to the extent there is other reimbursement to the participant.

The City Attorney's Office has approved the amended plan document as to form and bargaining units have been provided with notice.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference is not implicated because this item does not involve public contracting or bidding with the City of Fresno.

FISCAL IMPACT

Amendment of the HRA Plan Document may result in increased expenses which the department will continue to fund on a pay as you go basis without additional appropriations.

Attachments:

City Of Fresno Retiree Health Reimbursement Arrangement (Plan) - Final
City Of Fresno Retiree Health Reimbursement Arrangement (Plan) - Redline