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Title: Approve the amended City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document

Sponsors: Personnel Services Department

Indexes:

Code sections:

Attachments: 1. 2018 FINAL.HRA.PLAN, 2. REDLINE.HRA PLAN

Date	Ver.	Action By	Action	Result
1/17/2019	2	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 17, 2019

FROM: JEFF CARDELL, Director
Personnel Services Department

BY: JENNIFER MISNER, HR Manager
Personnel Services Department

SUBJECT

Approve the amended City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document

RECOMMENDATION

It is recommended that the City Council approve the amended the City of Fresno Retiree Health Reimbursement Arrangement (HRA) Plan Document as attached, effective January 17, 2019.

EXECUTIVE SUMMARY

Since March 2006, the City has maintained an HRA Plan to reimburse eligible participants for their post-retirement health insurance premiums. Upon a review of the Plan Document it was determined that amendment of the plan was appropriate in order to provide clarity for the benefit of the participants and to acknowledge that the eligibility requirements are set forth in the applicable Memorandum of Understanding (MOU) or the Salary Resolution.

BACKGROUND

On March 1, 2006, the City Council approved and adopted the HRA Plan Document. The Plan was established in 2006 to provide a means for reimbursing plan participants for their post-retirement health insurance premiums. In order to become an eligible participant the employee must be employed in a classification set forth in the Salary Resolution and they must meet the respective eligibility requirements set forth in the applicable MOU or the Salary Resolution for employees in Unit 2.

As a matter of due diligence, the plan document was reviewed to ensure that it remained compliant with the applicable Internal Revenue Service Regulations. Upon review it was determined that amendment of the plan is appropriate. More specifically the attached plan is being modified to:

1. Clarify that the eligibility requirements are set forth in the applicable MOU or the Salary Resolution;
2. Update the Unused Account section to be clear about what happens to the HRA when a person ceases to be a participant and has no eligible dependents;
3. Remove language from the Appointive Service and Temporary Employees section that is not applicable since temporary employees are not eligible;
4. Add a section regarding Health Insurance Portability and Accountability Act (HIPAA) Security;
5. Eliminates Appendix A since the eligibility requirements as set forth in the applicable MOU or the Salary Resolution; and
6. Correct misspellings and correct formatting.

The amended plan document has been reviewed by the City Attorney's Office and the bargaining units have been provided with notice of the amendments to the plan document.

ENVIRONMENTAL FINDINGS

N/A

LOCAL PREFERENCE

N/A

FISCAL IMPACT

Amendment of the HRA Plan Document does not result in any increased expenses.

Attachment:

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