

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.50
(ID # 7643)

MEETING DATE:

Tuesday, August 28, 2018

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Second Amendment to the County of Riverside Health Care Reimbursement Plan Amending the Maximum Medical Reimbursement Benefits Amount for Eligible County Employees, All Districts. [Total Cost - \$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second Amendment to the County of Riverside Health Care Reimbursement Plan amending the maximum Medical Reimbursement Benefits amount for eligible County employees, effective January 1, 2019, to be consistent with the maximum Medical Reimbursement Benefits amount allowable under the Internal Revenue Code per plan year.
2. Authorize the Chairman of the Board to sign three (3) copies of the Amendment on behalf of the County; and
3. Direct the Clerk of the Board to retain one (1) copy of the signed amendment and return (2) copies of the signed amendment to Human Resources for distribution.

ACTION: Policy

Brenda Diederichs
Brenda Diederichs, Assistant CEO / Human Resources Director

8/13/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: August 28, 2018
xc: HR

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year: FY18/19 & 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County offers a Flexible Spending Account (FSA) program that allows eligible employees to enroll in Internal Revenue Service's (IRS) Code Section 125 pre-tax Health Care Account (HCA) and Dependent Care Account (DCA) reimbursement plans. The establishment of the FSA program was approved by the Board on August 10, 1999, Item 3.62. Administrative services for the HCA and DCA programs are presently provided by Application Software, Inc. (ASI), pursuant to the administrative services contract originally approved by the Board on September 28, 2010, Item 3.52. The County, through the Human Resources Director, is the Plan Administrator.

The HCA option reimburses eligible participants on a pre-tax basis for out-of-pocket medical expenses incurred during the plan year that are not covered by insurance or a health plan. The DCA option is used to reimburse eligible participants for child day care, or care of an adult dependent who is incapable of self-care and is claimed as a taxable dependent. For eligible participants who participate in the HCA and/or DCA plans, they do not pay taxes on the monies that are elected annually and deducted on a bi-weekly basis. Currently, eligible participants may elect to contribute up to \$2,600 annually for HCA and up to \$5,000 annually for the DCA plan.

The Human Resources Department is seeking Board approval to amend the County's Health Care Reimbursement Plan Document, effective January 1, 2019, to adjust the pre-tax annual limit to the IRS allowable limit under federal law in a plan year, (Attachment A).

Prev. Agn. Ref.: 08/10/1999, Item 3.62

Impact on Residents and Businesses

There is no direct impact to residents or private businesses in the County of Riverside.

SUPPLEMENTAL:

Contract History

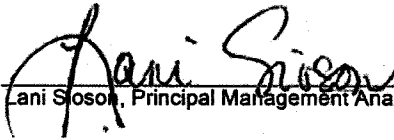
The entire Health Care and Dependent Care FSA Plan Documents are currently being reviewed and updated by AON, the County's benefit consultant. Once the Plan documents are finalized,

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they will be submitted to the Board of Supervisors for approval. This Form 11 only addresses the increase to the healthcare FSA allowable limit.

ATTACHMENTS

ATTACHMENT A. Second Amendment to the County of Riverside Health Care Reimbursement Plan



Lani Sosol, Principal Management Analyst 8/20/2018



Gregory J. Priamos, Director County Counsel 8/16/2018

**SECOND AMENDMENT TO THE
COUNTY OF RIVERSIDE HEALTH CARE REIMBURSEMENT PLAN**

This Second Amendment to the County of Riverside Health Care Reimbursement Plan (hereinafter referred to as "Amendment") is approved by the undersigned Employer, the County of Riverside, a political subdivision of the State of California. This Amendment shall be effective January 1, 2019.

RECITALS

WHEREAS, The County of Riverside Health Care Reimbursement Plan ("Plan") was adopted by the Employer on August 10, 1999, Agenda Item 3.62, and became effective January 1, 2000; and,

WHEREAS, the purpose of the Plan is to provide reimbursement for certain medical expenses of Participants not otherwise covered by insurance or by the Employer; and,

WHEREAS, the Human Resources Director is the Plan Administrator and is responsible for the administration of the Plan; and,

WHEREAS, pursuant to Section 7.1 Amendment and Termination of Article VII. GENERAL PROVISIONS of the Plan, the Employer may amend the Plan at any time by legal action of the authorized agents of the Employer, subject to the limitation that no amendment shall change the terms and conditions of payment of any benefit a Participant, Spouse, Dependent or beneficiary was entitled to under the Plan at the time of the amendment;

NOW THEREFORE, the Riverside County Board of Supervisors acting on behalf of the Employer hereby amends the Plan as follows:

1. Section 4.5 Maximum Benefits of Article IV. BENEFITS of the Plan is deleted in its entirety and replaced with the following:

"4.5 Maximum Benefits. Notwithstanding any other provisions of this Plan, no Participant shall elect or receive Medical Reimbursement Benefits in excess of the maximum allowed under the Code per Plan Year."

2. All other terms and conditions of the Plan not modified herein shall remain unchanged and in full force and effect.

(SIGNATURES ON THE FOLLOWING PAGE)

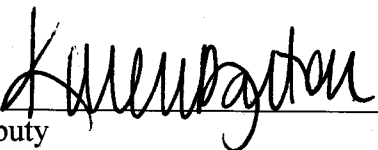
This Amendment to The County of Riverside Health Care Reimbursement Plan is approved by the Board of Supervisors of the County of Riverside, a political subdivision of the State of California, on this 28th day of August, 2018.



Chuck Washington, Chairman
Board of Supervisors

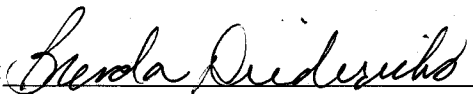
ATTEST:

Clerk of the Board
Kecia Harper-Ihem

By: 
Deputy

Date: AUG 28 2018

RECOMMENDED FOR APPROVAL:

By: 
Brenda Diederichs
Asst. County Executive Officer/
Human Resources Director

Date: 8/10/18

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: 
Deputy County Counsel

Date: 8/16/18