



City Council Agenda Memo

Crest Hill, IL

Meeting Date: October 6, 2025

Submitter: Dave Strahl, Interim Human Resources Manager

Department: Human Resources

Agenda Item: Consideration of a Flexible Benefit Account Program

Summary: Discussion on Potential Additional Employee Benefit – Flexible Benefit Account Program

Human Resources staff brought the option of a Flexible Spending Account (IRS Section 125) to a city council workshop meeting on February 26, 2024. The city council was supportive of moving forward with establishing the plan. However, due to the insurance year being effective July 1 each year and a flex plan being best understood through a typical calendar year, the insurance broker recommended the program be delayed. The insurance year will be changing in 2027 to a January 1 date, and the current insurance rates are effective from July 1, 2025 to December 31, 2026. Due to the change of insurance year and rates being set for the upcoming year the timing to establish the flex plan effective 2026 makes the most sense at this time.

Attached are a copy of the previous memorandum and a copy of the minutes from the meeting of February 26, 2024 as background on the details of the program.

Recommended Council Action: Approval of establishing a Flexible Spending Account effective January 1, 2026 for employees to fund deductibles, out-of-pocket expenses, and dependent care expenses with pre-tax payroll dollars. Employees participating in the program would receive a pre-loaded debit card for their use. The City Council was supportive of establishing the flex plan in February 2024, but at this time staff is requesting formal approval to initiate the process to offer the benefit.

Financial Impact:

Funding Source: General Fund and the creation of a segregated account for employee contributions for payroll deductions and ACH transfer as expenses are realized. Based on the employee participation levels the city would have to fund the employees' financial pledge of each employee prior to collecting the funds through payroll deductions during the upcoming year.

Budgeted Amount: Annual Administrative cost: \$2880

Cost: Annual benefit funding is based on employee participation. Potential of some expense to the city if an employee leaves employment prior to making the full contribution recovery after the benefit was spent by the employee.

Attachments Previous staff memorandum, copy of minutes from February 26, 2024 city council workshop, and general information on the details of the flex program administered by WEX, a partner with the city's health insurance provider, IPBC.



Meeting Date: February 26, 2024
Submitter: Dave Strahl, Interim Human Resources Representative
Department: Human Resources
Agenda Item: Consideration of a Flex Account Program

Summary: Discussion on Potential Additional Employee Benefit – Flex Account

IRS regulations (Section 125) allow for employers to set up voluntary contribution plans that allow employees to fund deductibles, out of pocket expenses and dependent childcare expenses through pre-tax dollars using a program commonly referred to as a flexible spending plan. Employees can voluntarily divert wages into an account for medical related expenses and a separate account for dependent care depending on the employee's financial situation and needs. The funds may be used for deductibles, co-pays and prescription co-pays. The funds would be diverted pre-tax which would save employees generally about 25% to 30% of their purchasing power instead of using net dollars for the same expenses.

These voluntary deductions can be made on an annual basis and may be altered due to major life event, birth, death, employment status change, etc. The deductions, if not used by the end of the deduction year will be forfeited and cannot be carried over into a new year. The deductible year period would coincide with the insurance year (May 1 to April 30) since this is the effective date of health insurance changes for the city on an annual basis and when many annual monthly deductions are effective.

Some additional details to be mindful regarding a flex plan.

- The funds are available and used through a third party that administers the program that allows the employee to use a debit style card to access the funds.
- All determinations of eligibility will be handled by the third-party administrator.
- All funds for employee use related to medical expenses are available on the first day of the insurance year. Therefore, the city would fund the accounts on behalf of the participating employees and the funds contributed by the employees through each payroll contribution will replenish the account that the city used to fund the benefit.
- When the employee leaves the city's employment the employee would have a limited window to use the existing funds. The timeframe is set by the employer and any claims

that would be processed would be limited to services provided prior to the employee's change in employment status. Any remaining funds in the employee's account after the pre-determined period for submittal of claims would not be eligible for use by the employee.

- At the conclusion of an insurance year (April 30) the employee would have a pre-determined period to submit claims for processing using funds from the previous year. This period is pre-determined by the employer. The claims submitted must be for services provided during the prior insurance year (between April 30 and May 1 of the previous year).
- Dependent care coverage is a pay-as-you-go system that is reimbursed based on proper documentation of dependent care expenses to the third-party provider.
- The city would incur a maximum annual administrative expense of \$2880 or \$240 per month based on the number of participants. This estimate assumes every employee utilizes the program.
- Would recommend a maximum employee contribution amount of \$4000 annually (\$158.85 per payroll). The maximum out of pocket level for BlueCross/Blue Shield is \$3000 per family and the IUOE, Local 150 plan is \$6000. The funds can be used for any out-of-pocket expenses not covered by insurance, co-pays, prescription co-pays, deductibles, etc.

These plans are very common among employers and can be seen as a benefit that puts the city on a more comparable basis with other area employers as the city competes for quality employees. This plan could be in place effective May 1, 2024, for the upcoming health insurance year.

Recommended Council Action: Discussion and direction as to whether the city council is supportive of adding this benefit for the employees.

Financial Impact:

Funding Source: General Fund and Creation of an Account for Employee Contribution Recovery from Payroll Deductions

Budgeted Amount: Annual Administrative Costs - \$2880

Cost: Annual benefit funding based on employee participation. Potential of some loss to the city when employee leaves employment prior to making the full contribution recovery after benefit was spent by the employee.

Attachments General Information on the details of the flex program administered by WEX a partner with the city's health insurance provider, IPBC.

Medical FSA and Dependent Care FSA

Contribution limits & IRS regulations

The IRS sets the maximum dollar amount you can elect and contribute to a medical flexible spending account (medical FSA) and dependent care FSA. The FSA annual contribution limit is:

Medical FSA - \$3,050

Dependent Care FSA - \$5,000 per family or \$2,500 if filing separately

Changing your FSA election

During open enrollment, you can elect an FSA and determine how much you want to contribute. In order to make changes after open enrollment, you need to experience a qualifying life event.

Qualifying life events for any FSA:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status

Additional dependent care FSA qualifying life events include:

Change in daycare providers

- Child turning age 13
- Increase or decrease in the cost of qualifying day care expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.



Medical FSA

Once you elect, all of your medical FSA dollars are available for you to use the very first day of the plan year. For example, if you elect to contribute \$1,200 to your medical FSA, your contributions will be deducted evenly across all of your paychecks for the year, but you have access to all \$1,200 on Day 1! You can use your funds for expenses incurred by you, your spouse or eligible dependents.



Dependent care FSA

The dependent care FSA allows you to use the funds in your account as you contribute to the dependent care FSA from your paycheck. After each payroll contribution has been made, those funds are applied to your account and available for reimbursement. This is different from a medical FSA because you cannot use all of the funds Day 1.



Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)



**DC FSA
(Video)**



**What is FSA
(Video)**

Dependent Care FSA

Why should I choose a dependent care FSA?

A dependent care FSA allows you to put aside a portion of your paycheck before taxes for eligible dependent care expenses each year.



Save money

The dependent care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings. You're spending the money either way. This way, eligible childcare and other dependent care costs are a little less.



Save strategically

Submit all of your dependent care expenses at the end of the plan year for one lump sum reimbursement to give yourself a hard-earned "bonus".



Fast Fact

For recurring costs, submit our Recurring Dependent Care Form. It makes claim filing simple because you only need to submit one form once in order to get reimbursed each pay period. You can find the form on the back of this handout.

What does it cover?

The list includes, but is not limited to, eligible:

- Childcare center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before- or after-school care
- Disabled dependent and/or spouse care
- Elder care

View our interactive eligible expense list at www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Can I enroll?

You are eligible if you and/or your spouse (if applicable) are gainfully employed, looking for work, or are attending school on a full-time basis.

Dependent Care FSA

Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a dependent care flexible spending account (dependent care FSA). The annual contribution limit is:

Per household: \$5,000

Per person (if married and filing separately): \$2,500

Although most people incur more than the limit per year, we recommend reviewing how much you spend on eligible dependent care expenses every year to determine your election.



Funds available as you contribute

Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your dependent care FSA contributions will be applied to your account and available for reimbursement.



Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)



Fast Fact

A great way to set it and forget it is to use our Recurring Dependent Care Form that allows you to submit one claim for the entire year and you will be reimbursed after each payroll.

Changing your dependent care FSA election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.



IPBC

Intergovernmental
Personnel Benefit
Cooperative

The premier health benefit option for Illinois local governments

WEX Master Services Agreement Pricing Summary

Per Eligible Per Month (enrolled in eligible healthcare plan) Admin Fee for COBRA Plan	\$0.45/ \$85 per month minimum <i>OPTIONAL - FUTURE</i>
Per Enrolled Per Month Health and/or Dependent Care Admin Fee (1 Fee if Health and DCA selected)	\$3.75/ \$70 per month minimum
Per Enrolled Per Month HSA Monthly	\$1.50/ \$25 per month minimum
Per Enrolled Per Month LRA Admin Fee	\$1.50 \$70 per month minimum
Per Enrolled Per Month Commuter Fee	\$1.50 \$70 per month minimum
Rate Guarantee	5 Years

Benefits Technology & Resources



Benefits debit card

The benefits debit card is the fastest and most convenient way to pay for eligible expenses. Just one debit card is all you need for your benefits regardless of how many plans you have with us.



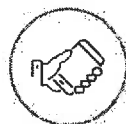
Benefits eligible expenses

There are thousands of eligible procedures, items and expenses based on your plan. View our interactive list of eligible expenses at www.wexinc.com/insights/benefits-toolkit/eligible-expenses/



Knowledgebase

Once you're enrolled, check out the knowledgebase to quickly search for answers to your questions. The knowledgebase boasts millions of views of our microvideos, articles and step-by-step how-tos empowering you to get the most out of your benefits. Have a question? Visit any time of day or night by logging in to your online account on www.wexinc.com.



Benefits mobile app & participant portal

Access your benefits 24/7 with the WEX mobile app. Our app is free, convenient and offers real-time access to all your benefits accounts. With our benefits mobile app you can:

- Get instant updates on the status of your claims.
- File a claim and upload documentation in seconds using your phone's camera.
- Scan an item's bar code to determine if it's an IRS Code Section 213(d) eligible expense.
- Report a card as lost or stolen, which cancels the card and ships you a new one.
- Log in through face recognition or fingerprint (depending on your phone).
- Check your balance and view account activity.
- Reset login credentials.

Don't have a smartphone? Go to www.wexinc.com, hover over Solutions and select Participants/Employees. This page provides login buttons for accessing your online account, along with helpful resources like a benefits knowledge base, a link to current eligible expenses, and chat.

Have questions?

Our Participant Services team is available Monday - Friday 6:00 a.m. to 9:00 p.m. Central time.

Questions when enrolled: 1-866-451-3399

Questions before you enroll: 1-844-561-1337

Email a question: customerservice@wexhealth.com

Submit a form: forms@wexhealth.com

Live chat: go to www.wexinc.com, hover over Solutions and select Participants/Employees.

wex[™]

WEX-1

Benefits Mobile App

Access your benefits anytime, anywhere

Access your benefits on the go 24/7 with the WEX benefits mobile app. Our free app gives you convenient, real-time access to all your benefits accounts in one spot. This makes it easy to use your hard-earned dollars and view recent account activity without ever needing to call in.

The benefits mobile app keeps your benefits always within reach. Want to know the status of a recent claim or easily check the balance of your accounts? Log in to our secure app to get answers to those questions and so many more — wherever and whenever you want.

With our benefits mobile app, you can:



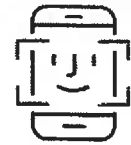
Check your balance, view account activity, and get instant updates on your claims



File a claim and upload documentation in seconds using your phone's camera.



Report a card as lost or stolen, which cancels the card and ships you a new one.



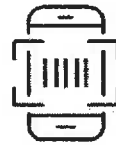
Log in through face recognition or fingerprint (depending on your phone).



Use Smart Scan to automatically file a claim from your Explanation of Benefits



Use your benefits debit card directly from your mobile phone with Apple Pay or Samsung Pay.



Scan an item's bar code to determine if it's an IRS code section 213(d) eligible expense.



Reset login credentials.



Security on the go

Our mobile apps use encryption and won't store photos, keeping your documentation safe and secure.

Download the app for free on **Apple** and **Android** smartphones and tablets



wex[™]

An extension of your HR team.

We're here to serve as an extension of your team with simple tools and extraordinary service. Trust us to deliver.

LEAP: Your benefits & COBRA hub

LEAP (employerbenefts.wexhealth.com) is your single source for your benefits and COBRA administration needs. Our built-in apps let you access:

- Onboarding and renewal design guides
- Analytics and reporting
- Integrations from HR/benefit technology platforms
- Compliance documents and testing
- Employee-specific data including enrollments, contributions, and claim statuses
- WEX service experts and knowledgebase

We encourage you to work alongside our experts, or at your own pace and on your own time, with solutions available when you need them.

We're here to serve.

We're available 7 a.m. to 7 p.m. Central time, Monday through Friday. Access all of our employer service options at: wexinc.com/contact/health.



877.765.8810

Press Option 1 for FSA / Option 2 for COBRA



FSA: employerservices@wexhealth.com

COBRA: COBRAemployerservices@wexhealth.com



Submit a ticket in LEAP



24/7 access to our knowledgebase in LEAP

Participant questions?

Our Participant Services team is available 6 a.m. to 9 p.m. Central time, Monday through Friday. Access all of our participant service options at: wexinc.com/contact/health.



FSA: 866.451.3399

COBRA: 888.408.7224



FSA: customerservice@wexhealth.com

COBRA: cobraadmin@wexhealth.com



Live Chat



24/7 access to our knowledgebase in their online account



Statement of Work Services Setup Form

WEX | wexhealthlead@wexinc.com | PO Box 6070 | Fargo, ND 58108

BROKER/CONSULTANT INFORMATION

Broker/Consulting Office

IPBC - Master Services Agreement

EXISTING WEX CLIENT/NET-NEW CLIENT COMPANY INFORMATION

Name		Tax ID #	
Address			
City		State	Zip Code
Renewal Date/Opt-In Date		Employer Size	Plan Effective Date

IMPLEMENTATION INFORMATION

Implementation/Entity Contact	
Email Address	
Telephone Number	
IPBC Benefit Consultant	
IPBC Benefit Consultant Email	

PLAN INFORMATION

Plan Name	Existing Benefit	New Benefit	Eligible Employees
Flexible Spending Account (FSA)	☐	☐	
Commuter Benefits/Transportation Spending Account (TSA)	☐	☐	
Health Reimbursement Arrangement (HRA)	☐	☐	
Health Savings Account (HSA)	☐	☐	
COBRA	☐	☐	

Notes (if any):

IPBC Member Should Send Completed Form to IPBC Benefit Consultant
Benefit Consultant - please send onto IPBC Member Services Manager

MINUTES OF THE WORK SESSION
CITY COUNCIL OF CREST HILL
WILL COUNTY, ILLINOIS
February 26, 2024

The February 26, 2024 City Council work session was called to order by Mayor Raymond R. Soliman at 7:02 p.m. in the Council Chambers, 20600 City Center Blvd. Crest Hill, Will County, Illinois.

The following Council members were present: Mayor Raymond Soliman, City Clerk Christine Vershay-Hall, City Treasurer Glen Conklin, Alderman Scott Dyke, Alderman John Vershay, Alderman Darrell Jefferson, Alderwoman Claudia Gazal, Alderperson Tina Oberlin, Alderman Mark Cipiti, Alderman Nate Albert.

Also Present were: Interim Administrator Tony Graff, Police Chief Ed Clark, City Engineer Ron Wiedeman, Finance Director Lisa Banovetz, Interim Public Works Director Mike Eulitz, Interim Director of Community Development Ron Mentzer, Building Commissioner Don Seeman, Interim Employee Relations Dave Strahl, City Attorney Mike Stiff.

Absent were: Alderman Joe Kubal, Interim Planner Maura Rigoni.

TOPIC: Consideration of a Flex Account Program Discussion

Interim Human Resource Manager Dave Strahl proposed an additional flex plan employee benefit. He commented that a flex plan is under the IRS Section 125, where it allows the employee to contribute money tax free to help pay for co-pays and deductibles from a debit card that would be loaded with the money they contribute, and it would draw down as the employee uses it. The employee can select an amount that they would be comfortable with per employee, and they will contribute up to that amount. The money would be available for the employees to use and would be set up like a trust account where there would be money set aside and the employees would pay back overtime. He stated that he wanted the Council to be aware that if an employee spends all their money and leaves the city, we could not recover the funds since the funds were spent while they were employed. He also commented that if the employee needed dependent care, which would be a pay as you go, and a straight reimbursement based on the amount needed and you could cap this as well. There is an administration fee of \$2,800.00, which would be the actual expense.

Alderperson Oberlin asked if they do not spend it does it roll over. Interim Manager Strahl commented that it does not roll over. Alderperson Oberlin then asked if the money is not spent then will it stay in the pool. Interim Manager Strahl commented that it would get distributed back to the employer if it is not spent at the end of the year. He was asked if there has been a demand for this and he stated that there has not been. She then asked when the Council would have to decide about this. Interim Manager Strahl commented that he would need to know in the fall of this year, and this would not start until July 1, 2025.

Alderwoman Gazal asked why we do not consider this right away, so we do not forget about this.

Mayor Soliman asked if any of the Council is against this. No comments were made.

Mayor Soliman then asked for an informal vote to proceed with the Flex Plan for 2025.

AYES: Ald. Dyke, Vershay, Jefferson, Gazal, Oberlin, Cipiti, Albert.

NAYES: None

ABSENT: Ald. Kubal.

Alderman Cipiti commented that he feels this is a great benefit for the employees and this will help their money go a little farther when it is taken tax free.

Mayor Soliman excused Alderman Kubal from tonight's meeting.

TOPIC: Consideration to Suspend Business License Penalty Fees to June 1, 2024

Interim City Administrator Tony Graff commented that we are requesting approval to suspend the late fee until June 1, 2024 which will give us time to look at amending the actual ordinance itself. He commented that we can look at keeping the penalty fee three times the amount of the business license or look at other options regarding motivating business owners to comply and not penalize them.

Interim Administrator Graff commented that collaborating with the Clerk's Office he feels this is the best option and knowing we have until June 1, 2024, we will have to come back to the Council quickly and amend the ordinance. He also commented that we can have a late fee grace period, or send another written notice, or change the fee to a one time the amount instead of three times the amount of the license.

Interim Administrator Graff commented that there is no rush, but we need direction. He also commented that there are forty-nine businesses that are outstanding and a few of them have paid their business license fee but did not pay the penalty fee.

Interim Administrator Graff commented that we need to do a resolution or some type of legislative action stating we are suspending the penalty fees until June 1st, 2024. City Attorney Mike Stiff commented that we in the past have suspended the Special Events Ordinance. Attorney Stiff suggested stopping the penalty fees until June 1, 2024 but the fee for the license is still due and owed. Alderwoman Gazal asked are we were holding their business license or are we were giving them their business license if they paid the license fee, she then commented what is the solution for the people that are outstanding.

Alderman Oberlin asked what if they do not pay the fees after we issue the license to them. Interim Administrator Graff commented that this is why you have administrative adjudication, tickets are your best route.

Alderwoman Gazal commented that she feels we are all over the place right now. Interim Administrator Graff commented that he understands but if we are in favor or suspending the penalty fee until June 1st then we will work on the language of the ordinance stating that if the fee is paid minus the penalty fee, we can release the license since we are holding them currently because the ordinance clearly states all fees must be paid before releasing the license.

Alderwoman Gazal commented that we have too many scenarios going on and she used Tacos Before Vatos as an example stating that they have until the end of the month to pay their eating tax and the \$750 fine. Interim Administrator Graff commented that