



MEMO

Human Resources

To: Finance & Personnel Committee
From: HR Director Hodge
Date: August 31, 2026
Re: Health Reimbursement Account 2027 Funding

Background information:

The City of Kaukauna currently funds a Health Reimbursement Account (HRA) for eligible employees and retirees who participate in the City's health insurance plans. The purpose of the Health Reimbursement Account is to support employees and their families with the costs associated with meeting the health plan's deductible (\$1,000 for Family, \$500 for Single).

The current process is for the City to provide an annual funding amount to employee HRA accounts and then provide an additional monthly funding amount to full-time employees. Part-time and retirees only receive an annual amount funded to their HRA account.

Amounts funded to HRA accounts are determined by the Employee Status (Full-time, Part-time, or Retiree) and by the Coverage Level of health insurance coverage (Family or Single coverage).

Current Benefit:

Employee Status	Coverage Level	Annual Amount	Monthly Amount	Annual Total
Full-time	Family	\$800	\$61	\$1,532
Full-time	Single	\$400	\$12	\$544
Part-time	Family	\$800		\$800
Part-time	Single	\$400		\$400
Retiree	Family	\$800		\$800
Retiree	Single	\$400		\$400

This plan design has been in place since 2015.

1. In an effort to streamline the processes for funding and reconciliation, it is proposed to change the funding schedule for the HRA plan from annual and monthly amounts for full-time employees to annual funding for all categories as of January 1, 2027.
2. It is also proposed to update the annual amounts provided to the following:

Employee Status	Coverage Level	2026 Annual Amount	2027 Proposed Amount	Difference
Full-time	Family	\$1,532	\$1,500	-\$ 32
Full-time	Single	\$ 544	\$ 750	\$206
Part-time	Family	\$ 800	\$1,000	\$200
Part-time	Single	\$ 400	\$ 500	\$100
Retiree	Family	\$ 800	\$1,000	\$200
Retiree	Single	\$ 400	\$ 500	\$100

Proposed amounts for 2027 ensure that the amounts provided to employees will cover the deductible for the selected health insurance level (\$1,000 for Family or \$500 for Single).

Budget:

Based on 2026 enrollments (noted below), the proposal to change the annual amounts funded would have an annual increase of \$6,868.

EE Status	Coverage Level	Enrolled
Full-time	Family	77
Full-time	Single	22
Part-time	Family	1
Part-time	Single	0
Retiree	Family	22
Retiree	Single	2

Staff Recommended Action:

Human Resources, with the support of Finance, recommends:

1. The approval of changing the funding for full-time HRA accounts from monthly/annual to only annual funding, with this change becoming effective January 1, 2027.
2. The approval of the changes to the annual amounts as detailed, with an effective date of January 1, 2027.

Note: If approved, the Health Reimbursement Account section will be updated in the next applicable version of the Employee Handbook.