

CITY OF STEVENSON

RESOLUTION NO. 2022-399

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STEVENSON
AUTHORIZING THE AMENDMENT OF THE HEALTH
REIMBURSEMENT ARRANGEMENT/VOLUNTARY EMPLOYEES'
BENEFICIARY ASSOCIATION ("HRA VEBA") PLANS**

Recitals

WHEREAS, the Internal Revenue Code Section 501(c)(9) allows for the creation of a voluntary employees' beneficiary association which is a tax-exempt health and welfare trust; and

WHEREAS, IRS regulations and guidelines allow an employer to offer health reimbursement arrangement (HRA) plans; and

WHEREAS, the City of Stevenson ("Employer") adopted the Standard HRA Plan and the Post-separation HRA plan (collectively the "Plans") to be administered by the Voluntary Employees' Beneficiary Association (VEBA) Trust for Public Employees in the Northwest ("Trust") on January 18, 2018 through resolution 2018-305; and

WHEREAS, it was amended on October 17, 2019 through resolution 2019-348 to include the HRA VEBA Policy and Guidelines as an attachment; and

WHEREAS, the Employer has determined that it is in the best interest of the Employer and its employees to amend the Plans, which provide tax-free, defined contribution accounts for employees to reimburse qualified medical, dental, vision and tax qualified long-term care premiums and non-covered healthcare expenses of the employees and their qualified dependents; and

WHEREAS, the Employer desires to amend the Plans for its employees to differentiate between cash-outs for separation and retirement, and to remove the annual vacation leave contributions, which are no longer an occurrence; and

WHEREAS, the Employer desires to use the services of the Trust to administer such Plans; and

WHEREAS, the Plans will be administered in accordance with the Plan documents provided by the Trust on file in the Employer's main office.

NOW, THEREFORE, the City Council of the City of Stevenson hereby resolves as follows:

Section 1. Effective September 1, 2022 the Employer hereby amends the Plans and Trust as presently amended in exhibit A using the Trust as its plan administrator for the benefit of eligible employees as defined by Employer policies or collective bargaining agreements.

Section 2. The Plans will be funded with Employer contributions in amounts determined from time to time pursuant to Employer policies and collective bargaining agreements.

Section 3. The City Administrator is authorized to execute documents and establish procedures consistent with Plan and Trust provisions and applicable Employer polices and collective bargaining agreements necessary to affect the adoption and administration of the Plans.

PASSED by the Council of the City of Stevenson this 12th day of October, 2022.

Mayor of the City of Stevenson

ATTEST:

APPROVED AS TO FORM:

Clerk of the City of Stevenson

Kenneth B. Woodrich, PC
City Attorney

Exhibit A

CITY OF STEVENSON HRA VEBA POLICY & GUIDELINES

The City of Stevenson (“Employer”) has adopted the HRA VEBA plans offered and administered by the Voluntary Employees’ Beneficiary Association Trust for Public Employees in the Northwest (collectively the “Plans”): the **Standard HRA Plan**, which shall be integrated with the Employer’s or another qualified group health plan and to which the Employer shall remit contributions on behalf of eligible employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted by applicable law from time to time; and the **Post-separation HRA Plan** to which the Employer may remit contributions on behalf of eligible employees, including eligible employees who are not enrolled in or covered by the Employer’s or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires. Employer shall contribute to the Plans on behalf of all non-represented employees (“Group”) defined as eligible to participate in the Plans. Each eligible employee must submit a completed and signed Enrollment Form or enroll online to become an eligible participant and become eligible for benefits under the Plans.

Contributions on behalf of each eligible employee shall be based on the following selected funding sources/formulas.:

- Retirement-Sick leave, vacation, personal, and other leave cash-outs upon retirement.** Eligibility is limited to employees who retire with leave cash-out rights during the term hereof. Employer contributions shall include the entire cash-out value of all unused leave days (sick, vacation, etc.) accrued and available for cash-out upon retirement per Employer personnel policy.
- Separation-Sick leave cash-outs upon separation from service.** Eligibility is limited to employees who separate from service with leave cash-out rights during the term hereof. Employer contributions shall include the entire cash-out value of all unused sick leave days accrued and available for cash-out upon separation from service per Employer personnel policy.
- Mandatory employee contributions** (no individual elections permitted). The Employer shall change the Group’s compensation package such that eligible employees shall receive additional benefits in the form of HRA VEBA Plan contributions equal to \$30, which shall be contributed on a monthly basis and each eligible employee’s salary shall be reduced by an equal amount. Such contributions shall be made on behalf of all Group employees defined as eligible and shall be considered and referred to as Employer contributions.
- Direct Employer contributions.** Eligibility is limited to all active employees who have enrolled in the Employer’s high-deductible health plan. Employer contributions shall be equal to \$20, which shall be contributed on a monthly basis on behalf of all eligible Group employees.