



Finance Committee Agenda Item

Meeting Date: July 22, 2025

Agenda Item: Amendment to the EMS Employee Benefit Policy

Staff Contact (name, email, phone): Rachelle Blitch, rblitch@whitewater-wi.gov, 262-473-1380

BACKGROUND

(Enter the who, what when, where, why)

This policy was approved by the Common Council in April of this year. Following its adoption, further review and discussion determined that the benefit qualifies as a fringe benefit and is therefore taxable under IRS regulations.

While this does not pose an issue for current employees—since the benefit can be processed through payroll—it does create a challenge for retirees, who are no longer on the City's payroll system. At present, there is no mechanism to process this type of benefit through accounts payable in a manner that would generate a 1099 form, as required for tax reporting.

To remain compliant with federal tax reporting requirements, we have updated the policy language to include a maximum annual (calendar year) family benefit of \$599 for retirees. This threshold allows the benefit to be offered without triggering the need for a 1099.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

3/25/2025 – Finance Committee approved and recommended the policy to the Common Council

4/3/2025 – Common Council approved the EMS Employee Benefit Policy

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

Staff recommends the amended policy be submitted to the Common Council for approval and incorporated into the employee handbook.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Amended EMS Employee Benefit Policy