

By: Administration
Adopted: May 14, 2012

Vote: Harris, Holler, Katkus, Sullivan-Leonard and Woodruff in favor. Wall absent.

**CITY OF WASILLA
RESOLUTION SERIAL NO. 12-16**

**A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE CITY OF
WASILLA TO ADOPT A SECTION 125, FLEXIBLE BENEFITS CAFETERIA PLAN.**

WHEREAS, the City of Wasilla wishes to adopt a Section 125, Flexible Benefits Cafeteria Plan within the context of Section 125 of the Internal Revenue Code for the benefit of the eligible employees; and

WHEREAS, the City of Wasilla has an established program set up under these guidelines.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council hereby adopts the Flexible Benefits Cafeteria Plan (consisting of the Flexible Benefits Plan Document, the Adoption Agreement, and component Benefit Plans and Policies) effective as of the date specified in the Adoption Agreement of July 1, 2012; and

BE IT FURTHER RESOLVED, that the Mayor is authorized, without further Council approval, to execute the Adoption Agreement, and any related documents or amendments which may be necessary or appropriate to adopt the Plan or maintain its compliance with applicable federal, state, and local law; and

BE IT FURTHER RESOLVED, that the Wasilla City Council authorizes the Mayor to execute and adopt the Section 125, Flexible Benefits Cafeteria Plan.

ADOPTED by the Wasilla City Council on May 14, 2012.


VERNE E. RUPRIGHT, Mayor

ATTEST:


KRISTIE SMITHERS, MMC, City Clerk

[SEAL]



Resolution Serial No. 12-16: A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE CITY OF WASILLA TO ADOPT A SECTION 125 FLEXIBLE BENEFITS CAFETERIA PLAN.

Agenda of: May 14, 2012

Date: May 2, 2012

Originator: Donna Faeo, Human Resources Generalist

Route to:	Department	Signature	Date
X	Finance Director		5/2/12
X	Interim Deputy Administrator		5/2/12
X	City Clerk		5/4/12

REVIEWED BY MAYOR VERNE E. RUPRIGHT:

FISCAL IMPACT: yes or no Funds Available Yes or No

Account name/number: N/A

Attachments:

- Section 125 Flexible Benefits Cafeteria Plan Summary (1 page)
- Schedule A, Medical Care Coverage Options under the Plan (1 page)
- Resolution Serial No. 12-16 (1 page)

SUMMARY STATEMENT: Currently offered to eligible City of Wasilla employees is the American Family Life Assurance Company (AFLAC) Plan. The City of Wasilla believes it would be in the best interest of the City of Wasilla and its employees to replace AFLAC and adopt their own Section 125 Flexible Benefits Cafeteria Plan. The Section 125 Flexible Benefits Cafeteria Plan would allow for scheduled voluntary products that are generally paid for by the employee with after-tax salary reduction agreements. The City of Wasilla qualifies to provide their own cafeteria plan under Section 125 of the Internal Revenue Code and that medical insurance benefits an employee elects to receive under the plan be eligible for exclusion from the employee's income for federal income tax purposes.

STAFF RECOMMENDATION: Adopt Resolution Serial No. 12-16.

**CITY OF WASILLA
RESOLUTION
IRC SECTION 125
FLEXIBLE BENEFITS PLAN**

WHEREAS, the City of Wasilla has determined that it would be in the best interest of City of Wasilla and its employees to adopt a "Section 125 Premium Only Plan", "Section 125 Health FSA Plan", and "Section 129 Dependent Care Assistance Plan", herein referred to as "Section 125 Flexible Benefits Plan", allowing for pre-taxed insurance, medical benefits, and dependent care expenses, so-called; be it known that a vote was taken, and all were in favor.

RESOLVED, that the City of Wasilla adopt a so-called "Section 125 Flexible Benefits Plan", all in accordance with the specifications annexed hereto; and, be it known that the City of Wasilla Flexible Benefits Plan Document was executed July 1, 2012.

RESOLVED FURTHER, that the City of Wasilla undertake all actions necessary to implement and administer said plan.

The undersigned hereby certifies that he/she is qualified by City of Wasilla, an entity duly formed pursuant to the laws of the State of Alaska, and that the foregoing is a true record of a resolution duly adopted in accordance with state law and the Bylaws of City of Wasilla on July 1, 2012, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name for the above named Company on _____, 2012.

A True Record

Authorized Signer

CITY OF WASILLA

Schedule A

QUALIFIED BENEFIT OPTIONS UNDER THE POP PLAN*:

NAME OF COVERAGE

- GROUP HEALTH INSURANCE PLANS
- INDIVIDUAL HEALTH INSURANCE PLANS
- GROUP DENTAL COVERAGE
- VISION CARE INSURANCE
- GROUP TERM LIFE INSURANCE
- DISABILITY INCOME-SHORT TERM (A&S)
- DISABILITY INCOME-LONG TERM (LTD)
- CANCER INSURANCE
- ACCIDENTAL DEATH AND DISMEMBERMENT
- INTENSIVE CARE INSURANCE
- ACCIDENT INSURANCE
- HOSPITAL INDEMNITY INSURANCE
- OTHER: _____
- OTHER: _____
- OTHER: _____
- OTHER: _____
- OTHER: _____
- OTHER: _____

*The Employee contributions necessary to obtain the coverage options set forth in this Schedule A above will be communicated by the Employer to Eligible Employees at the time of Enrollment and in Schedule B. The required Employee contribution amounts will be considered as the maximum elective Employee contributions necessary for participation in each Plan option above. It is specifically the Participant's responsibility regarding insurance premium reimbursement not to request anything that could violate the terms of their insurance policy.