

RESOLUTION NO. R-14-40

A RESOLUTION ADOPTING CHANGES TO THE ADMINISTRATION OF THE CITY OF GLADSTONE'S FLEXIBLE BENEFITS PLAN.

WHEREAS, the City of Gladstone has established a Section 125 flexible benefits plan for employees to provide reasonable health insurance options for its employees by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel, and

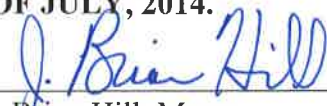
WHEREAS, the City of Gladstone has determined that the continuance of the flexible benefits plan, in accordance with IRS requirements, will serve these objectives.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT the City of Gladstone hereby restates the City's flexible benefits plan to allow pre-tax salary redirection under the Plan to General Purpose Health Care/Medical Reimbursement Plan or Limited Purpose Health Care Reimbursement Plans, and/or to the Dependent Care Reimbursement Plans within the maximums set forth by the IRS.


FURTHER, THAT the City Manager of the City of Gladstone, Missouri, is hereby authorized to execute a contract with American Fidelity Assurance Company via the partnership with Midwest Public Risk for the administration of the City's Flexible benefits plan for the FY 2015 plan year.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 14th DAY OF JULY, 2014.



J. Brian Hill, Mayor

ATTEST:



Ruth E. Bocchino, City Clerk



**GENERAL ADMINISTRATION
Human Resources Division**

TO: Kirk Davis, City Manager
FROM: Charlene Leslie, HR Administrator
DATE: July 9, 2014
SUBJECT: Administration of the
City of Gladstone Flexible Benefits Plan

The City of Gladstone is a member of Midwest Public Risk – a public entity self-insurance pool providing health, dental and vision insurance to its membership of local governments and school districts. Midwest Public Risk (MPR) has recently expanded the employee health care plan options to include a partnership with a flexible benefits plan, also known as “flexible spending account” (Section 125 Plan) vendor. As we discussed with Council in May of this year, we wish to move our flexible benefit plan to this new vendor, American Fidelity Assurance Company (AFA), effective July 1, 2014.

As you know the Section 125 Flexible Benefits Plan allows employees to select from a variety of eligible benefits that allow them to deduct premiums from gross earnings before taxes are computed. This gives employees more spendable income because current after-tax expenses, such as insurance premiums and benefits, can be paid for with pre-tax dollars.

We wish to restate the current provisions of the City of Gladstone’s Flexible Benefit Plan through an agreement with AFA for administration. Therefore, we respectfully request authorization from the Council to execute the restated plan through an agreement with AFA.

Thank you for the opportunity to assist with this important employee benefit.

R-14-40