RESOLUTION NO. 11-04

A RESOLUTION OF THE CITY OF SCAPPOOSE ADOPTING A FLEXIBLE SPENDING ACCOUNT PLAN FOR ELIGIBLE EMPLOYEES

WHEREAS, the City of Scappoose has provided a flexible spending account plan to eligible employees for more than a decade; and,

WHEREAS, Flexible Spending Account Plan allows employees to allocate pre-tax salary contributions to an account for the purposes of reimbursement of qualified health care expenses and qualified dependent care expenses, as allowed by law; and,

WHEREAS, the federal rules governing the creation of flexible spending accounts require government jurisdictions to pass an enabling resolution before a plan can be implemented; and,

WHEREAS, staff has been unable to identify an adopted Flexible Spending Account Plan Resolution for the City of Scappoose.

NOW, THEREFORE BE IT RESOLVED, the Scappoose City council approves the establishment of a flexible spending account plan and adopts the plan provided by City County Insurances Services and attached as Exhibit A.

PASSED AND ADOPTED by the City Council this 18th day of April, 2011 and signed by the Mayor and City Recorder in authentication of its passage.

CITY OF SCAPPOOSE, OREGON

Scott Burge, Mayor

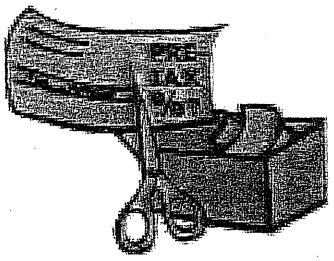
ATTEST:

Susan M Reeves, CMC
City Recorder

Exhibit A

CIS BENEFITS
www.cisbenefits.org

PRE-TAX PROGRAMS



Do you want an easy way to reduce your taxable income? Keep reading!

There are plan options available through your employer that allow you to reduce your taxable income to pay for unreimbursed healthcare expenses (e.g., deductibles, coinsurance amounts, prescription drug costs, etc.) or your dependent care expenses.

Enrollment is easy; filing a claim is easy; and getting money tax-free for expenses you are going to pay for anyway is an unbeatable combination.

Healthcare FSA – Reimbursement Change Eff 1/1/2011

Included in the Patient Protection and Affordable Care Act, the recently passed federal healthcare reform, is a new limitation on reimbursements for Over-the-Counter (OTC) medications. Effective January 1, 2011, most OTC medications can only be reimbursed if there is a prescription. Insulin, however, is one drug that continues to qualify without a prescription.

Equipment, supplies, and diagnostic devices such as bandages, hearing aid batteries, blood sugar test kits, etc., continue to be eligible for reimbursement without a prescription.

Open Enrollment Action Items:

- $ Determine the appropriate amounts to contribute to the Healthcare and/or Dependent Care FSA plans (see attached worksheet).
- $ Complete the enrollment form included in your open enrollment packet and turn it into Your Benefits/HR representative by the due date (as determined by your employer).

ASIFlex

If you enroll in the Healthcare or Dependent Care FSA, you will receive a welcome packet from ASIFlex, the third party administrator. This packet will include a UserID and password for on-line access to your account, details on how to submit claims incurred during the plan year, and options on how to receive reimbursement payments. Your UserID/password can also be used to file claims if you prefer to use those identifiers rather than your SSN.

CityCounty Insurance Services (CIS) Flex Summary & Worksheet

ASI flex

What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a tax-free account that allows you to save money to pay for your out-of-pocket healthcare expenses, including prescription drug costs, medical, dental, vision and hearing expenses and/or your child or dependent care expenses, including day care, baby sitting, in-home care for older dependents and before & after school care expenses.

When you enroll in an FSA, you decide how much to contribute to each account for the entire 2010-11 Plan Year (August 1, 2010 – July 31, 2011). For the Healthcare FSA you can set aside up to $5,000 per plan year. For the Dependent Care FSA the calendar year maximum is $5,000 ($2,500 if you are a married individual and file a separate tax return from your spouse) per household. The money is deducted from your paycheck pre-tax (before Federal & State income taxes and FICA taxes are deducted) in equal amounts, over the course of the plan year. After you incur expenses that qualify for reimbursement, you submit claims (reimbursement requests) to ASIFlex to request tax-free withdrawals from your FSA to reimburse yourself for these expenses.

PROGRAM CHANGE: You will be required to submit a prescription for any over-the-counter medications **purchased after January 1, 2011** in order for these expenses to be eligible for reimbursement. OTC supplies such as band-aids, contact lens solution, etc., do not require a prescription and continue to be eligible for reimbursement.

What healthcare expenses can I use my Healthcare FSA for?

Partial list of qualified medical expenses:

- ✓ Deductibles & copayments
- ✓ Doctor's fees
- ✓ Dental expenses
- ✓ Prescription glasses
- ✓ LASIK surgery
- ✓ Prescription drugs & insulin
- ✓ Chiropractor's fees
- ✓ Glasses and contact lenses
- ✓ Orthodontia (See specific requirements)

Your FSA cannot be used for:

- ✓ Insurance premiums
- ✓ Cosmetic procedures (such as face lifts, teeth whitening, veneers, hair replacement, etc.)
- ✓ Clip-on or nonprescription sunglasses
- ✓ Toiletries
- ✓ Long-term care expenses
- ✓ Drugs, herbs, or vitamins for general health
- ✓ Warranties

Check out www.asiflex.com for more expenses

How do I determine how much to contribute?

Estimate your qualified healthcare expenses that will not be reimbursed by your medical or dental plans during the 2010-11 Plan Year (August 1, 2010 – July 31, 2011). **Remember that expenses for your tax dependents qualify for reimbursement through your Healthcare FSA program, even if they are not covered on your medical insurance through your employer.**

Tax-free Medical Expense Worksheet

Your out-of-pocket medical and dental expenses for August 1, 2010 – July 31, 2011	Estimated out-of-pocket costs
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
Total	**$_____**

Divide by the number of paychecks you expect to receive during the plan year. _____

Your per paycheck contribution $_____

Dependent Care FSA

Dependent Care FSAs create a tax break for dependent care expenses (typically child care or day care expenses) that enable you to work. If you are married, your spouse must be working, looking for work or be a full-time student. **If you have a stay-at-home spouse, you should not enroll in the Dependent Care FSA.** The IRS allows no more than $5,000 per household ($2,500 if you are married and file a separate tax return) be set-aside in the Dependent Care FSA in a calendar year.

Please note that IRS regulations disallow reimbursement for services that have not yet been provided, so even if you pay in advance for your expenses, you can only claim service periods that have already occurred. **Eligible expenses** include day care, baby-sitting, & general purpose day camps. **Ineligible expenses** include overnight camps, care provided by a dependent, your spouse or your child under the age of 19 & care provided while you are not at work.

Use It Or Lose It – Important Note

Claims incurred for either the Healthcare FSA or Dependent Care FSA must be incurred during the plan year AND submitted to ASIFlex no later than October 31 each year. If not postmarked by October 31, the IRS requires that the unclaimed dollars remaining in your account be forfeited.

How do I enroll?

You enroll by completing the Enrollment Form included in your open enrollment packet and returning it to the individual responsible for employee benefits for your employer no later than July 9. **Remember you must re-enroll in the FSA program each year (even if you don't want the deduction amount to change).**

When can I start requesting reimbursement?

You can start submitting requests as soon as services are provided, but eligible expenses can only be incurred on, or after, August 1, 2010. For the Healthcare FSA, the full annual contribution amount is available on the date your enrollment begins. For the Dependent Care FSA, you are allowed to be reimbursed only up to what you have had deducted from your paycheck at that point, but requests in excess of this amount will be reimbursed as additional deductions are taken from your paycheck. You may submit reimbursement requests for either account as frequently, or infrequently, as you prefer.

To request reimbursement from your FSA, you must fax, e-mail, or mail a completed Flex Claim Form (found online at **www.asiflex.com**) and supporting documentation to ASIFlex at:

Toll-free fax: 1-866-381-9682 or Mail to: ASIFlex
P.O. Box 6044
Columbia, MO 65205-6044

NEW You may also submit all reimbursement requests online, via ASIFlex's secure website, www.asiflex.com. Please note that you will need to have your Flex PIN in order to complete this request. If you have lost your PIN, please contact ASIFlex directly at (800) 659-3035.

How will I receive reimbursement?

The default reimbursement method for ASIFlex will be to mail you a check. However, you also have the option to sign up to receive reimbursements by direct deposit to a checking or savings account. A direct deposit sign up form will be included with your welcome packet that you receive shortly after enrolling. You can also find this form online at www.asiflex.com. ASIFlex will issue your reimbursement within one business day of receipt of your claim, as long as acceptable documentation is also provided. You may change your bank account for reimbursement or request to receive reimbursement by check at any time by completing the Direct Deposit/E-mail Form that is available on www.asiflex.com. Your direct deposit information will stay the same until you tell ASIFlex you would prefer deposits to a different bank.

When is the last day I can file a claim?

Claims with dates of service between August 1, 2010-July 31, 2011 must be submitted to ASIFlex no later than October 31, 2011. After that date, monies remaining in your account will be forfeited.

Whom do I contact if I have questions?

ASIFlex Customer Service	1-800-659-3035 Monday – Friday, 5 a.m. – 5 p.m. Pacific Time Saturday, 7 a.m. – 11 a.m. Pacific Time
E-mail	asi@asiflex.com
ASIFlex's Web site	www.asiflex.com

ASIflex

FLEXIBLE BENEFITS ENROLLMENT FORM

8/1/10 - 7/31/11 Plan Year

COMPLETE THIS FORM AND RETURN TO YOUR BENEFITS REPRESENTATIVE

Entity Name: _____

PART 1 – EMPLOYEE DATA

EMPLOYEE NAME (LAST, FIRST, MI.)	SOCIAL SECURITY NUMBER	
HOME ADDRESS (INCLUDE APARTMENT NUMBER)		
CITY	STATE	ZIP
DATE OF BIRTH	DATE OF HIRE	SEX (M or F)

PART 2 – ELECTIONS

Premium Only Plan

G I elect to participate – I have enrolled for medical and/or dental insurance and have been provided with information identifying my portion of the premiums for such coverages. These premiums will be taken on a pre-tax basis.

G I elect to waive all pre-tax benefits under the Premium Only Plan.

Healthcare Flexible Spending Account

(Annual maximum allowable is $5,000; *remember new limitations on over-the-counter medications*)

G I elect to contribute $ _____ per pay period x _____ remaining pay periods = $ _____ Plan Year Total

G I elect to waive coverage

Dependent Care Flexible Spending Account

(Calendar year maximum is $5,000 for married filing jointly or single, or $2,500 if married filing separately)

G I elect to contribute $ _____ per pay period x _____ remaining pay periods = $ _____ Plan Year Total

G I elect to waive coverage

PART 3 – AUTHORIZATION

I have reviewed the terms of my employer's Flexible Benefits Plan. I understand that I may elect coverage under any or all of the above components. I understand that contributions will be deducted from my compensation on a pre-tax basis and the deductions cannot be changed until the next plan year unless I experience a qualified status change. I have read and agree to the terms of participation.

_____ _____

EMPLOYEE'S SIGNATURE DATE

FOR EMPLOYER USE ONLY:

COMPANY NAME	DIVISION	EFFECTIVE DATE	PAY CYCLE	ENTERED IN PAYROLL	INITIAL: