



Request for City Council Committee Action From the Department of Human Resources

Date April 17, 2002

To Ways, Means & Budget Committee
Referral to City Council

Prepared or Submitted by Carol A. Schmidt Phone 673-3346

Approved by: _____ Ann Eilbracht, Human Resources Director

_____ John Moir, City Coordinator

Subject: Post Employment Health Care Equity Plan

Presenters in Committee:

Tim Giles, Director of Employer/Employee Relations

Carol A. Schmidt, Employee Benefits Manager

Recommendation:

That the City establish a tax-exempt Post Employment Health Care Equity Account (City Health) to help employees save money to defray all or part of their future out-of-pocket health care costs. Employees will be able to access the funds in the account. The account will be funded with employer contributions negotiated through collective bargaining.

Required Action:

- Adopt the Internal Revenue Services approved Governmental Integral Part Trust model developed by the International City Management Association (ICMA) Retirement Corporation on behalf of its Public Sector customers.
- Adopt the City of Minneapolis Health and Dental Expense Reimbursement Plan as required to maintain the tax exempt status of distributions.
- Authorize the proper City officials to negotiate and enter into an agreement with ICMA Retirement Corporation to provide Investment, Trustee and Administrative Services to support successful implementation and operation

of the City of Minneapolis Health Care Equity Plan, subject to City Attorney review and Council approval prior to execution.

Financial Impact (Check those that apply)

- No financial impact or Action is within current budget.
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information - Attached

- Background Summary
- Permanent Review Committee Agreement to negotiate with ICMA