



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

Date: December 8, 2009

To: Ways and Means / Budget Committee

Referral to: City Council

Subject: Amendment to City of Minneapolis Health Reimbursement Arrangement Plan (the "Plan")

Recommendation:

Authorize the execution of a Plan amendment to allow administrative fees to be charged against the accounts of Plan members who have separated from service. Specifically, an administration fee of \$1.50 per month would be charged beginning the January 1st following the year in which a former employee incurred a one year break in service.

Previous Directives:

Adoption of the City of Minneapolis Health Reimbursement Arrangement Plan, as Amended and Restated Effective January 1, 2006. Adoption of the First Amendment to the Plan effective January 1, 2009.

Department Information

Prepared by: Joyce Traver

Approved by _____

Pamela French
Human Resources Director

Steven Bosacker
City Coordinator

Presenters in Committee:

Financial Impact

- No financial impact

Supporting Information

The City currently pays administrative fees for all Plan participants. The change results from recommendations made by the Benefits Subcommittee of the Citywide Labor Management Committee and has been incorporated into new Health Care Insurance Letters of Agreement with the various bargaining units. The fee that would be charged to former employees is less than half the current administrative fee of \$3.35 per month.