



Legislation Text

File #: 09-1195, **Version:** 2

Human Resources recommending the Board consider the following:

- 1) Authorize the Chair to sign the VantageCare Retirement Health Savings (RHS) Adoption Agreement to amend Administrative Services Agreement 209-S1011 for the provision of Retirement Health Savings plan services between the County of El Dorado and the International City Management Association Retirement Corporation; and
- 2) Authorize the Director of Human Resources, or designee, to execute further documents as may be necessary related to the referenced Agreement, including amendments, contingent upon approval by County Counsel and Risk Management, provided such documents do not affect the maximum compensation or term of the Agreement. (Est. Time: 5 Min.)

FUNDING: Participant Account Fees.

DEPARTMENT RECOMMENDATION

Human Resources Department recommending the Board authorize the Chair to sign the VantageCare Retirement Health Savings (RHS) Adoption Agreement to amend Administrative Services Agreement 209-S1011 with the International City Management Association Retirement Corporation (ICMA-RC) to allow participation by employees who are approved for the County's Early Separation Incentive Program for Fiscal Year 2015/16 in the Retirement Health Savings Plan.

On June 2, 2015 (Item 48, Legistar File 15-0640), the Board approved an Early Separation Incentive Program for FY 2015/16. This program would allow the County to contribute \$2,500 (for employees separating no later than September 11, 2015) or \$1,500 per year of full time equivalent service (for employees separating no later than October 11, 2015), in an amount not to exceed \$50,000 for each employee approved to receive the incentive. These funds would be deposited into individual Retirement Health Savings accounts for each participant and be administered by ICMA-RC.

DISCUSSION / BACKGROUND

On September 22, 2009 (Item 29, Legistar File 09-1195), the Board approved an Administrative Services Agreement with ICMA-RC for the VantageCare Retirement Health Savings Plan in conjunction with an early retirement incentive plan offered at that time due to anticipated budget shortfalls.

ICMA-RC's VantageCare Retirement Health Savings (RHS) Plan is an employer-sponsored plan where money can be contributed on a tax-free basis into a dedicated trust for the exclusive purpose of reimbursement of eligible medical expenses. ICMA-RC provides a turn-key solution for adoption and administration of the plan. Upon acceptance into the plan and upon funding of the individual accounts, each participant may submit requests for reimbursement of eligible medical expenses including insurance premiums, co-pays, deductibles and other eligible out-of-pocket expenses. Expenses can be reimbursed until the account is exhausted. Upon the death of the participant, the surviving spouse and/or surviving eligible dependents are immediately eligible to maintain the participant's RHS account and utilize the remaining balance to fund eligible medical benefits.

ICMA-RC utilizes a third party administrator to process all claims. Once the Retirement Health Savings Account is established, the day-to-day operations, including participant investments and reimbursement requests, will be handled by ICMA-RC and the third party administrator. Investment choices will be made at the discretion of the participant. The County assumes no responsibility for investment decisions or return on investment.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

Approve Department's recommendation.

FINANCIAL IMPACT

No change to Net County Cost. Individual account maintenance fees will be charged to the participants, not to the County.

CLERK OF THE BOARD FOLLOW UP ACTIONS

The Board Clerk will obtain the Chairman's signature on the VantageCare Retirement Health Savings (RHS) Adoption Agreement and provide a copy to the Human Resources Department.

STRATEGIC PLAN COMPONENT

This action falls within the Financial Sustainability portion of the strategic plan.

CONTACT

Pamela Knorr, Human Resources Director
Erin Hane, Human Resources