



Memorandum

Date: 1/19/2021
Meeting of: City Council

File No. AM No. 21-014
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Human Resources	Cathryn Laird	425-556-2125
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DEPARTMENT STAFF:

Human Resources	Nicole Bruce	Sr Human Resources Analyst/Benefits Plan Administrator
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TITLE:

Approval of Flexible Spending Account (FSA) Plan Changes in Response to the Consolidated Appropriations Act

OVERVIEW STATEMENT:

Approve the recommended changes in Attachment A to the Flexible Spending Account Plan that are made allowable under the Consolidated Appropriations Act (CAA); and authorize and direct the Mayor to implement these changes including the execution of any contracts and agreements to do so.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
The FSA Plan Document will need to be amended.
- **Required:**
The City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that increase benefits to employees.
- **Council Request:**
N/A
- **Other Key Facts:**
The third-party administrator (Navia) is requiring notification of our decision on what provisions we wish to implement by January 20, 2021.

OUTCOMES:

The President signed the Consolidated Appropriations Act (CAA) on December 27, 2020, which contains several FSA-related relief provisions for participants. The provisions are intended to help employees access unused FSA balances to health care and/or day care FSA from 2020 and 2021, and who were unable to utilize eligible services or care during the COVID outbreak. While the relief provisions listed on Attachment A are optional, Navia is recommending that employers adopt these provisions to provide maximum relief to FSA plan participants. Human Resources agrees with Navia's recommendations.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
The Employee Benefits Advisory Committee (EBAC) was emailed on 1/6/2021 and feedback was requested.
- **Outreach Methods and Results:**
EBAC meetings are typically held on a monthly basis, but email was used as this timeline has been compressed due to the passing of the law (12/27/2020) and when decisions are required by Navia (1/20/2021).
- **Feedback Summary:**
Feedback from this outreach occurred through an online vote on recommendations. This vote occurred on January 13, 2021 and the resulting recommendations are included on Attachment A.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

Responsible Government

Other budget impacts or additional costs:

☒ Yes

☐ No

☐ N/A

If yes, explain:

The plan changes are anticipated to be cost-neutral as they are employee only contributions.

Funding source(s):

Medical Self-Insurance Fund (511)

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
1/12/2021	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

In order for Plan Changes to be implemented we must make our plan selections by January 20, 2021 so that Navia can properly calculate and display FSA carryover balances to participants by January 25, 2021.

ANTICIPATED RESULT IF NOT APPROVED:

We would not be able to provide FSA-related relief for employees as allowable under the Consolidated Appropriations Act.

ATTACHMENTS:

Attachment A: Recommended Changes to the FSA Plan