

Auditor

MARIPOSA COUNTY
BOARD OF SUPERVISORS

AGENDA
ACTION FORM

DATE: 12-12-91
AGENDA ITEM NO.: 9-A

DEPARTMENT: ADMINISTRATION/PERSONNEL BY: Catherine Harmon ~~CA~~ PHONE: 966-5694

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes: ___ No: X)

Adopt this resolution to approve the movement of administration from Flexible Benefits Administrators to Total Benefits Services, Inc. and approve appropriation from general contingency in the amount of \$1,000.00.

BACKGROUND AND HISTORY OF BOARD ACTIONS: See attached report.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Do not approve this movement and continue with Flexible Benefits Administrators.
2. Do not approve this movement and direct staff to seek alternative administrators.

COSTS: () Not Applicable

A. Budgeted current FY \$ ~~1000~~

B. Total anticipated costs \$ 1000

C. Required Add'l funding \$ 1000

D. Source: Reserve for Contingencies

SPECIAL INSTRUCTIONS:

List the attachments and number the pages consecutively:

SOURCE: (X) 4/5ths Vote Required

A. Internal transfers \$ _____

B. Unanticipated revenues \$ _____

C. Reserve for contingency \$ 1000

D. Description: _____

Balance in Reserve for Contingencies, if approved: \$ 103,566

CLERK'S USE ONLY:

Res. No.: 91-598

Ord. No.: _____

Vote - Ayes: 5 Noes: _____

Absent: _____ Abstained: _____

MW Approved () Denied

() Minute Order Attached

ADMINISTRATIVE OFFICER'S RECOMMENDATION:

This item on agenda as:

X Recommended

_____ Not Recommended

_____ For Policy Determination

_____ Submitted with Comment

_____ Returned for Further correct copy of

The foregoing instrument is a the original on _____ Action file in this office.

Date: _____

ATTEST: MARGIE WILLIAMS
Clerk of the Board of Supervisors
County of Mariposa, State of CA

By: _____
Deputy

Comment: _____

A.O. Initials: *P*

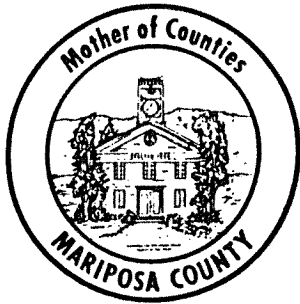
MARIPOSA COUNTY
BOARD OF SUPERVISORS

BUDGET
ACTION FORM

RESOLUTION NO. 91-598

BE IT RESOLVED by the Board of Supervisors of Mariposa County, a political subdivision of the State of California, that pursuant to the provisions of the Government Code of the State of California, Sections 29120 et seq, the following APPROPRIATIONS and/or TRANSFERS within the Budget of the County of Mariposa are hereby adopted:

		<u>TRANSFER</u>		
	<u>Department</u>	<u>Item</u>	<u>Account No.</u>	<u>Amount</u>
From:	Reserve for Contingencies		001-103-6-000	\$ 1,000
To:	Personnel	Professional & Special Services	001-101-2-180	\$ 1,000



Mariposa County Personnel Office Hall Of Records

CATHERINE HARMON
Personnel Officer

4982 10th Street
P.O. Box 784
Mariposa, California 95338
(209) 966-5694

December 11, 1991

TO: Board of Supervisors
FROM: Catherine Harmon, Personnel Officer *CH*
RE: Flexible Benefit Plans

It is the recommendation to the Administrative Officer of this office to seek Board approval to change administrators of the flexible benefit plan from Flexible Benefits Administrators to total Benefit Services, Inc. This office has successfully notified all bargaining units and agreement has been reached. The reasons for change are as follows:

Total Benefits Services

- o - Monthly fee \$5.00
- o - Reimbursements processed weekly
- o - Local (Visalia)
- o - Employee information packets
- o - Informational workshops for employees as needed
- o - Commitment to service
- o - Information regarding compliance
- o - Reimbursement checks to be dated/ sent same day as payroll
- o - Future consideration of unreimbursed medical

Flexible Benefits Administrators

- o - Monthly fee \$6.00
- o - Reimbursements processed monthly
- o - Out-of-state
- o - No employee information packets
- o - No informational workshops since Fall of 1989
- o - Service problems
- o - No information provided
- o - Disbursement with payroll (difficulty with follow-through)
- o - No consideration of unreimbursed medical

Currently, Ms. Linda Kleiser, Consultant with Total Benefit Services, Inc. is available to be in Mariposa on Wednesday, January 8, 1992 to address all interested employees.

I have attached Total Benefit Services, Inc.'s brochure *Flexible Benefit Plans, A Guide for Employees* to provide further information regarding the flexible benefit plan.

CH:njk

Planning The Use of Your Reimbursement Account

Be conservative in estimating the money that you set aside for eligible expenses. Federal regulations require you to incur the expense within the plan year, and any excess money in your Flexible Benefit Plan which is not reimbursed within 90 days of the end of the plan year will be forfeited.

You will receive periodic statements so that you will be aware of the balance of your account. Using conservative estimates will minimize the risk of forfeitures.

For example, dependent care expenses are usually consistent and easy to estimate. However, you should remember to reduce the amount for vacation time (if you are not charged for it) and allow for any changes in care that may occur during the summer.

You should also be aware that once the election for the year has begun, you may not change the amount or drop out of the plan unless you have a "change in family status." These may include birth, death, adoption, marriage, divorce, or change in spouse's employment. Most of the reasons that might cause you to request a change are included in these events. Any change in your election during the year must be consistent with these changes in family status.

Examples of Health Expenses Eligible for Reimbursement Under A Flexible Benefit Plan

Acupuncture
Ambulance
Birth Control (prescription)
Braces
Chiropractors
Co-pay amounts for health insurance
Cosmetic surgery
Deductible
Dental
Dentures
Electrolysis
Eyeglasses or Contact Lenses
Hair transplants
Hearing devices
Insulin
Laboratory
Nurse
Obstetrical
Operations
Orthodontia
Physicals
Physician
Prescribed medicines
Psychiatric Care
Sterilization
Surgical
Therapeutic Care for dependencies
Weight loss programs (prescribed)

Flexible Benefit Plans

A Guide For Employees


TOTAL BENEFIT SERVICES, INC.

519 West Center Street • Visalia, CA 93291
(209) 732-3132 • Fax (209) 732-3159

Fresno, CA • (209) 446-4201
Washington, DC • (301) 320-9311
Toll-free • (800) 446-4201


TOTAL BENEFIT SERVICES, INC.

What Can A Flexible Benefit Plan Do For Me?

Are you interested in lowering your taxes and increasing your spendable income? Participation in a Flexible Benefit Plan can save you tax dollars.

A Flexible Benefit Plan allows you to pay for certain employee benefits or other expenses with "pre-tax" dollars. Each pay period, a specified dollar amount is deducted from your paycheck and set aside for your Flexible Benefit Plan. You do not pay Federal, State or Social Security taxes on the money set aside for your Flexible Benefit Plan.

What Benefit Categories Are Eligible?

Every plan is different, but generally, you may choose among the following categories of employee benefits:

- Employee share of company-sponsored health related insurance premiums for you and your dependents.
- Health related expenses (including deductibles, co-insurance, eye exams, glasses or contact lenses, dental care, and many other eligible expenses).
- Dependent care expenses which enable you to work. If you are married, you are eligible for dependent care expenses only if your spouse is employed, a student, or disabled.

How Does This Make A Difference in My Taxes?

The following is an example showing how a single employee with two additional dependents can increase his or her spendable income through a Flexible Benefit Plan:

	Without Flexible Benefit Plan	With Flexible Benefit Plan
Gross Pay	\$2,000.00	\$2,000.00
Premium Expenses	120.00	60.00
Dependent Care	200.00	200.00
Taxable Income	\$2,000.00	\$1,620.00
Federal Taxes	205.00	151.00
State Taxes	51.78	28.81
State Disability	24.00	19.44
Social Security	153.00	123.93
Less Premium	120.00	120.00
Less Expenses	60.00	60.00
Less Dependent Care	200.00	200.00
Spendable Income	\$1,186.22	\$1,296.82

This particular example demonstrates a monthly savings of **\$110.60** which equals a yearly saving of **\$1,327.20**. This example is based on Federal and State (California) taxes for 1990.

We recommend you consult your personal tax advisor, as each situation is different. Your tax advisor can determine whether you are better off utilizing the Flexible Benefit Plan or the Federal Child Care Credit for dependent care expenses.

How Does The Plan Work?

On an enrollment form provided by your employer, you will elect an amount you wish to place in any of the benefit categories on each pay day.

The money is then set aside from your payroll check for the purpose you have chosen. When you file a claim for related expenses, you are reimbursed from your Flexible Benefit Plan for those expenses.

Total Benefit Services processes claims, maintains account records, and issues reimbursement checks. Periodic statements are provided to each participant to show the contributions made, claims paid, and remaining balances for your Flexible Benefit Plan. Should you have questions about claims, ask your Human Resources manager, or call the Total Benefit Services office nearest you.

Are Flexible Benefit Plans New?

Since 1978, Internal Revenue Code Section 125 has allowed an employer to establish a Flexible Benefit Plan. However, until clarification of the regulations in 1984, the plans were difficult to understand and administer.

Today's Flexible Benefit Plans offer the individual who has lost many itemized personal income tax deductions to customize their benefit package and reduce their overall tax bill.