

GENERAL

Ordinance Fact Sheet

180891

Ordinance Number

Brief Title

Administrative Code Changes

Approval Deadline

Reason

Details

Positions/Recommendations

Reason for Legislation

This ordinance enacts a new Division to establish a new Post Employment Health Plan (PEHP) which allows certain retiring employees the ability to designate sick and vacation leave funds to be deposited to the Plan which are then designated to reimburse for qualified medical insurance premiums following retirement.

Sponsor	Human Resources
Programs, Departments, or Groups Affected	All
Applicants / Proponents	Applicant Human Resources City Department All Other
Opponents	Groups or Individuals None Known Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

Details:

This new Division establishes the Post Employment Health Plan, which allows employees that are retiring, under normal or optional retirement provisions, to designate a certain percentage of their accrued and unused sick and vacation leave at retirement, as determined by their applicable Member Group, to the PEHP Trust via a lump sum payment.

All funds deposited to the PEHP Trust are deposited tax free, which has positive tax implications for the retiring employees and the City; and allows the employee to better afford medical insurance premiums during retirement.

Funds deposited to the PEHP Trust can only be used to reimburse the retired employee, and at the retired employee's death, to their spouse and/or eligible dependents, for qualified medical insurance premiums, as defined by the Internal Revenue Code. All reimbursements paid to the retired employee and their eligible employees from the Trust are also exempt from taxes.

(Continued on reverse side)

