



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Human Resources
Department No.: 064
For Agenda Of: 3/06/2007
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Susan Paul Assistant CEO/HR Director, 568-2817 *Susan*

Contact Info: Scott Turnbull, Employee Benefits Manager, 568-2821

SUBJECT: Revised Flexible Benefits Plan Document

County Counsel Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Recommended Action(s):

Approve the attached revised Flexible Benefits Plan document incorporating the addition of a Health Savings Account component plan in compliance with recent I.R.S. regulations and guidelines, effective July 1, 2006.

Summary:

The Flexible Benefits Plan was originally created in May, 1989 to offer a combination of non-taxable and taxable benefits for County employees under the I.R.S. Section 125 provisions. All regular County employees are eligible for these benefits and an annual open enrollment period is held prior to the January 1 effective date each year. Periodically, as health plan options have changed and the I.R.S. regulations revised, this plan document has been updated.

This revised plan document specifically addresses the addition of a Health Savings Account (HSA) component plan as part of the County's Flexible Benefit Plan (an I.R.S. cafeteria plan) pursuant to relevant I.R.S. code sections and regulations for HSAs. This revision memorializes the pre-taxing of participant's contributions to their HSA and defines the eligibility and contribution limits as required by the IRS. Funds contributed to an HSA can be rolled over each year without tax or penalty and used for future medical expenses.

Revised Flexible Benefits Plan Document

3/06/2007

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Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

The fiscal impact to the County is the cost of an annual \$550 County contribution to the employee's health savings account if enrolled on the County's high deductible PPO plan. Because the County contribution to the high deductible health plan is lower than its contribution to other health plans by a comparable amount, the net cost compared to other County health plans is zero. In addition, there are County F.I.C.A. savings on any contribution amounts made by employees to their HSA account.

Staffing Impact(s):

Legal Positions:

N/A

FTEs:

Special Instructions:

Please send one signed copy of the attached Flexible Benefits Plan document to Scott Turnbull in the Human Resources Department.

Attachments:

Authored by: Scott Turnbull

cc:

Auditor-Controller
County Executive Officer