



City of Grand Island

Tuesday, November 09, 2010

Council Session

Item G13

**#2010-319 - Approving Amending the Contract with TASC for the
City Cafeteria Plan**

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Brenda Sutherland, Human Resources Director

Meeting: November 9, 2010

Subject: Amending the Contract with TASC for the City Cafeteria Plan

Item #'s: G-13

Presenter(s): Brenda Sutherland, Human Resources Director

Background

The City entered into a contract with TASC to provide cafeteria plan service beginning with the 2010 calendar year. That contract specified that the City would pay \$3.50 per participant to provide a cafeteria benefit that would allow employees to set aside pre-tax dollars for eligible medical and dependent care expenses. This cost is paid by the City

Discussion

This year I am recommending that the City Council approve amending the plan to allow the addition of the FlexSystem Claim Card which is a debit card that the employee can use at the pharmacy or participating physician's office. This card would allow the employee's account to pay for the services or products directly without having to go through the process of filing claims and waiting for reimbursement. Adding the debit card will increase the monthly amount to \$4.00 per plan participant, an increase of .50 cents.

Employees who participate in the cafeteria or "flex spending" account set money aside pre-tax. This means that the City does not pay the matching FICA or Medicare contribution that it would have on those dollars. The savings in the match requirement far outweighs the cost of the program by more than a two to one ratio. This is another step toward more efficient utilization of benefits through technology.

In addition, I am recommending the addition of the Non-Employer Sponsored Premium Account. This will allow employees to set aside dollars to be used for non-employer sponsored premiums such as Medicare supplements or privately purchased insurance premiums. There is no fee added for this provision.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council amend the contract with TASC to add the FlexSystem Claim Card and the Non-Employer Sponsored Premium Account.

Sample Motion

Move to amend the contract with TASC to allow the FlexSystem Claim Card and the Non-Employer Sponsored Premium Account.



November 1, 2010

City of Grand Island
100 E. 1st Street
Grand Island, NE 68801

RE: Flex Client #4102-0676-3328

To Whom It May Concern:

As the City has stated a desire to offer the FlexSystem Claim Card to the participating employees of the Flexible Spending Plan, TASC agrees to the following:

The card will be offered to the City at the fee of .50 cents per participating employee per month. This fee will be in effect for a minimum of two (2) years beginning with the January 1, 2011 plan renewal.

In addition, the City may elect the 106 Non-Employer Sponsored Premium account to the plan document by choosing the provision at renewal time. There is no fee to add this provision.

Jeff Taylor
Regional Sales DirectorIowa/ Nebraska
2302 International Lane
Madison, WI53704-3140
800 422-4661, EXT. 4343

J.J. Green, CLU
TASC Wholesale Provider
2121 N. Webb Rd. #309\
Grand Island NE 68803
308-384-8700

RESOLUTION 2010-319

WHEREAS, the City of Grand Island provides a Section 125 Cafeteria Plan for its employees; and

WHEREAS, TASC of Madison Wisconsin is the third party administrator who administers the plan; and

WHEREAS, a recommendation to amend the plan to add a FlexSystem Claim Card at a cost of .50 cents per plan participant, per month; and

WHEREAS, this fee will be in effect for a minimum of two (2) years beginning with the January 1, 2011 plan renewal; and

WHEREAS, the plan will also be amended to add the Non-Employer Sponsored Premium account at no additional cost.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Section 125 Cafeteria Plan administered by TASC, of Madison Wisconsin be amended to add the FlexSystem Claim Card for an additional fee of .50 cents per plan participant per month and add the Non-Employer Sponsored Premium account at no additional cost.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute an agreement for such services on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 9, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 4, 2010	☐ City Attorney