



**RESOLUTION FOR AMENDMENT TO THE HRA PLAN FOR
THE CITY OF REXBURG**

Resolution 2012– 01

The undersigned Principal of City of Rexburg (the Employer) hereby certifies that resolution 2010-11 was adopted by the City Council on **July 21, 2010** to create the City of Rexburg Health Reimbursement Arrangement (HRA) plan, and that such resolution is now being amended on February 15, 2012 with the following changes:

WHEREAS, City of Rexburg has previously adopted a HRA Plan and;
WHEREAS, certain changes are now desirable;
NOW, THEREFORE, the City of Rexburg HRA Plan is hereby amended in the following particulars only;

And

FURTHER, the effective date of this amendment is January 1, 2012.

ARTICLE I DEFINITIONS has been amended with the addition of the following language:

1.8 “Eligible Retiree” means any Eligible Retiree as stated in Section 2.1 and as provided herein. Eligible Retiree shall not include any individual who was not at any time prior to retirement reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals who at no time prior to retirement were treated as common law employees by the Employer on its payroll records are not Eligible Retirees and are excluded from Plan participation even if a court or administrative agency determines or previously determined that such individuals had been common law employees and not independent contractors. However, a retiree who is currently a 2-percent shareholder as defined under Code Section 1372(b) shall not be eligible to participate in this Plan.

1.18 “Retiree” shall mean any individual who has met the conditions for retirement established by the Employer.

ARTICLE III BENEFITS

Section 3.1 (c) Establishment of Plan has been amended to read as follows:

(c) The Employer shall make available to each Participant an Employer Contribution for the reimbursement of Qualifying Medical Expenses. A wellness exam (physical) each Plan Year by the Participant and spouse (if applicable) is required. A physical is not required for children. If the Participant has two deductibles, but no spouse, only the Participant is required to receive the physical in order to receive the HRA contribution. The physicals must be completed in the previous HRA Plan Year to receive the HRA contribution in the current year. The following describes each benefit:

i. Employees with the City of Rexburg Group Health Insurance:

The Employer shall contribute an amount as set forth by motion or resolution of the City Council to pay for all 213 expenses.

ii. Employees without the City of Rexburg Group Health Insurance:

In lieu of the Health Insurance Premium payment by the City, the City will reimburse the employee for the cost of insurance he or she provides on their own. This reimbursement amount will be up to the maximum portion of the insurance premium that would otherwise be paid by the City for the employee. In addition to the cost of insurance that the City will reimburse, the City will also reimburse the cost of the HRA contribution the employee would have received if they were enrolled in the City's health insurance less the cost of the employee's share of the health insurance premiums. To maintain the integrity of the plan sponsored by the City, the employee must have been covered by this reimbursable insurance before the employee was hired by the City, unless the employee is an elected official or has special permission by the Mayor and the Human Resource Department. The City shall reimburse only after the employee has submitted a written request along with documentation of the premium amount they will be paying for. The benefit is paid out on an annual basis by the City.

iii. Retirees:

The Employer shall contribute an amount as set forth by motion or resolution of the City Council to pay for all 213 expenses and Insurance Premiums. The contribution to the Participant during their retirement year will be pro-rated based on the retirement date. Account balances can be carried over from year to year until the entire balance has been depleted.

No salary reductions may be made to this Health Reimbursement Arrangement.

NOW THEREFORE, the City of Rexburg does hereby accept and adopt the Health Reimbursement Arrangement amendments as noted above on this 15th day of February 2012.

The undersigned further certifies that the newly adopted amendments will be added to the HRA Summary Plan Description and other applicable HRA documents.

IN WITNESS WHEREOF, this Amendment has been executed this 15th day of February, 2012.

**SIGNED BY: Richard S. Woodland
Mayor**

**ATTEST: Blair D. Kay
City Clerk**