



Waynesboro City Council Agenda Briefing

Meeting Date:	November 23, 2020	Staff/Council Member(s): Nichole Nicholson, IPMA- SCP Human Resources Director/ Michael G. Hamp II, City Manager
Agenda Item #	8	
Resolution#		
Department:	Human Resources	
Subject:	Resolution Amending the City of Waynesboro Cafeteria Plan	

Background: In accordance with the CARES Act, the City of Waynesboro’s cafeteria plan is being amended to eliminate the prescription requirement for over-the-counter medications and to allow reimbursement of menstrual products from the Health FSA.

Details: The City of Waynesboro provides elements of what is called a “cafeteria” benefits plan. A cafeteria plan is a written plan, separate from health insurance, maintained by an employer for employees that meets the specific requirements and regulations of the Internal Revenue Code. It provides participants an opportunity to receive certain benefits on a pretax basis.

One of these benefits offered by the City is a Flexible Spending Account (FSA). An FSA is an account that allows employees to use pre-tax dollars to pay for eligible health care expenses. Prior to the CARES Act being passed, employees were not permitted to use FSA dollars for over-the-counter drugs.

With the passing of the CARES Act, employees are now able to use pre-tax dollars to purchase over-the-counter drugs and menstrual care products. The City of Waynesboro must adopt these changes and may apply them retroactively back to January 1, 2020.

City Manager’s Recommendation: Approve by motion the resolution to amend the City of Waynesboro Cafeteria Plan in accordance with federal law.

Suggested Motion(s): Approve by motion the resolution to amend the City of Waynesboro Cafeteria Plan in accordance with federal law.

Attachment(s): Resolution Amending the City of Waynesboro Cafeteria Plan

CITY COUNCIL OF WAYNESBORO, VIRGINIA



RESOLUTION (R20-)

RESOLUTION AMENDING THE
CITY OF WAYNESBORO CAFETERIA PLAN

Whereas, the City of Waynesboro, (the "City") sponsors the City of Waynesboro Cafeteria Plan (with Premium Payment, Health FSA, and DCAP Components) (the "Cafeteria Plan") that allows eligible employees to choose from a menu of different benefits to suit their needs and to pay for those benefits with pre-tax dollars. Alternatively, eligible employees may choose to pay for any of the benefits with after-tax contributions on a payroll-reduction basis.

Whereas, the City has the power to amend the Plan.

Whereas, the City desires to amend Cafeteria Plan in accordance with federal law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WAYNESBORO, VIRGINIA AS FOLLOWS:

- 1) The Cafeteria Plan Code Section 125 with Health Flexible Spending Account under the Cafeteria Plan Code Section 105 and with Dependent Care under the Cafeteria Plan Code Section 129 of the Internal Revenue Code of 1986, is hereby amended to eliminate the prescription requirement for over-the-counter medications and to allow reimbursement of menstrual products from the Health FSA. In accordance with the CARES Act, claims for these items may be reimbursed for expenses incurred back to January 1, 2020. This restatement shall be effective January 1, 2020.
- 2) The undersigned certifies that attached hereto and incorporated herein as Exhibit A is a true copy of the Plan Document for City of Waynesboro Cafeteria Plan approved and adopted in this Resolution.
- 3) The City Manager or his designee(s) is hereby authorized and directed to execute and deliver to the Plan Administrator one or more copies of the Plan.
- 4) The City Manager or his designee(s) shall act as soon as possible to notify employees of the City of the amendment of the Plan.
- 5) The City Manager is hereby authorized to take any other actions that are reasonable and necessary to effectuate the purpose of this Resolution.
- 6) This Resolution has not been modified or rescinded as of the date hereof.

Resolved this 23 day of November, 2020.

CERTIFICATE

The undersigned Mayor and Clerk of the City Council of City of Waynesboro, Virginia hereby certify that the foregoing constitutes a true and correct copy of a Resolution Amending the City of Waynesboro Cafeteria Plan adopted by the City Council at a meeting held on November 23, 2020.

Date: November 23, 2020

[SEAL]

ATTEST:

Clerk, City Council
City of Waynesboro, Virginia

Mayor, City Council
City of Waynesboro, Virginia