



City of Stevenson

Leana Johnson, City Administrator

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To: Stevenson City Council
From: Leana Johnson, City Administrator
RE: HRA VEBA
Meeting Date: January 18, 2018

Executive Summary:

One benefit employees requested when I started my position was the opportunity to contribute to a Voluntary Benefits plan, or VEBA. The option available to city employees is to contribute to a Health Reimbursement Arrangement through HRA VEBA. After meeting with the employees and a representative from HRA VEBA, the employees have agreed to contribute \$30 towards the plan along with any medical in-lieu payments, and sick leave and vacation buy-out. The City will contribute \$20 per employee into the plan. The money set aside in the HRA account can be used while they are working or when they are retired. More information can be found in the enclosed flyer.

Any funds put into the plan are tax free, which means the city would not have to pay their share of any Social Security or Medicare taxes on money put to the HRA VEBA account. The overall annual cost impact is \$1,912.14 to the city.

In order to adopt the plan, the enclosed Resolution 2018-305 needs to be approved authorizing the plan and any associated contracts and policies. Enclosed is a copy of the resolution, contract and policy.