

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA ADOPTING THE AMENDED AND RESTATED CITY OF TEMECULA SECTION 125 CAFETERIA PLAN AND THE AMENDED AND RESTATED SECTION 125 CAFETERIA PLAN ADOPTION AGREEMENT

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council adopted the City of Temecula Flexible Benefits Plan Document on September 18, 1990, to provide a Section 125 Cafeteria plan, including any applicable Healthcare Flexible Spending Account Plan, Dependent Care Assistance Program, and group health, dental and vision insurance to eligible employees.

Section 2. The attached amended and restated Adoption Agreement and Plan Document have been revised as follows:

- A. To update the maximum carryover amount for the Healthcare Flexible Spending Account to 20% of the maximum amount permitted under Code §125(i) in accordance with the IRS change;
- B. To establish eligible opt out arrangement requirements for employees receiving cash in lieu of City-sponsored health insurance;
- C. To incorporate terms consistent with applicable memoranda of understanding, compensation plans, policies, resolutions, contracts, and City practice throughout the Plan Document;
- D. To incorporate a claims substantiation procedure and appeals procedure consistent with third-party administrator Ameriflex for the Healthcare Flexible Spending Account and Dependent Care Assistance Program; and
- E. To retroactively adopt amendments for plan year 2021 pursuant to the Consolidated Appropriations Act of 2021 for the COVID-19 flexible changes, including:
 - 1) To allow prospective mid-year election changes for the Healthcare Flexible Spending Account and Dependent Care Assistance Program;
 - 2) To incorporate an unlimited carryover of unused Healthcare Flexible Spending Account funds;
 - 3) To extend the grace period for Dependent Care Assistance Program Extended Grace Period/Claims Extension Period; and
 - 4) To allow the Spend Down of Healthcare Flexible Spending Account once participation has ceased.

Section 3. Approval of the Plan Document Amendment will provide the framework for staff to take such actions that are deemed necessary and proper in order to implement the Plan, and to setup adequate accounting and administrative procedures to provide employee benefits under the Plan.

Section 4. The City Council hereby adopts the Amended and Restated Section 125 Cafeteria Plan and the Amended and Restated Section 125 Cafeteria Plan Adoption Agreement as attached hereto. The Mayor is authorized to execute the Amended and Restated Section 125 Cafeteria Plan Adoption Agreement on behalf of the City.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula this 13th day of December, 2022.

Matt Rahn, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Resolution No. 2022- was duly and regularly adopted by the City Council of the City of Temecula at a meeting thereof held on the 13th day of December, 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk