

RESOLUTION 13-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO AMENDING THE MEDICAL HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN DOCUMENTS.

WHEREAS, the City of Ketchum has previously adopted Resolution No. 07-087 entering into a HRA Plan Service Agreement to obtain services associated with preparing and maintaining the City of Ketchum Medical HRA Plan, as well as all other administration services required for such Medical HRA Plan; and

WHEREAS, that the Administrator of the Plan was instructed to take such actions that were necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan; and

WHEREAS, Resolution No. 10-020 was the Restatement of the Medical HRA Plan Documents, which also included the COBRA Amendment; and

WHEREAS, Resolution No. 11-003 was the PPACA (Patient Protection & Affordable Care Act) Amendment; and

WHEREAS, Amendment Number Three to the Medical HRA Plan is to remove the Co-Payment language from the HRA Plan, which was an error in the Original Medical HRA Plan Documents and the Restatement of the Medical HRA Plan Documents.

Amendment Number Three to the Medical HRA Plan – ARTICLE I Definitions – Section 1.16 “Qualifying Medical Expenses” has been amended.

Summary of Material Modifications to the Medical HRA Plan – Summary of Changes:

Benefits.

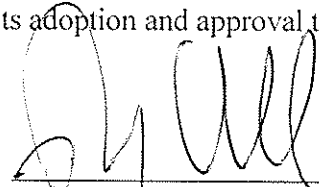
“The plan allows you to be reimbursed by the Employer for dental deductibles, co-insurance, ~~co-payments~~, and medical deductibles under our group medical plan which are incurred by you or your dependents.”

WHEREAS, effective January 1, 2013 the Medical HRA Administration fee will increase from \$2.25/Monthly/Participant Fee (Minimum of \$50/Month) to \$3.00/Monthly/Participant Fee (Minimum of \$50/Month). The Document Updates/Amendments Fee remains the same at \$150; and

WHEREAS, that attached hereto is a true copy of the Amendment Number Three to the City of Ketchum Medical (HRA) Plan.

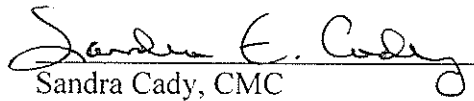
NOW THEREFORE BE IT RESOLVED, that the Ketchum City Council authorizes amending the Medical HRA Plan Documents to remove the Co-Payment Language and authorizes the Mayor to sign the Medical HRA Plan Amendment Number Three and to approve the Administration Fee Increase.

This Resolution will be in full force and effect upon its adoption and approval this 4th day of February 2013.



Randy Hall
Mayor

ATTEST:



Sandra Cady, CMC
City Treasurer/Clerk

AMENDMENT NUMBER THREE TO THE
MEDICAL HRA PLAN
FOR
CITY OF KETCHUM

WITNESSETH:

WHEREAS, City of Ketchum has previously adopted a Medical HRA Plan and;

WHEREAS, certain changes are now desirable;

NOW, THEREFORE, the City of Ketchum Medical HRA Plan is hereby amended in the following particulars only;

and

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

1. ARTICLE I DEFINITIONS is amended to read as follows:

SECTION 1.16 "QUALIFYING MEDICAL EXPENSES"

"Qualifying Medical Expenses" means any expense eligible for reimbursement under the Health Reimbursement Arrangement which would qualify as a "medical expense" (within the meaning of Code Section 213(d) and as allowed under Code Section 105 and the rulings and Treasury regulations thereunder) of the Participant, the Participant's spouse or a Dependent and not otherwise used by the Participant as a deduction in determining the Participant's tax liability under the Code or reimbursed under any other health coverage, including a health Flexible Spending Account. Qualifying Medical Expenses covered by this Plan are limited to dental deductibles, co-insurance payments, and medical deductibles under the Employer's group medical plan. A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" as defined in Code Section 106(f). Furthermore, a Participant may not be reimbursed for "qualified long term care services" as defined in Code Section 7702B(c). If the Employer provides Health Savings Accounts for Participants, Qualifying Medical Expenses reimbursed shall be limited to those allowed under Code Section 223. "Incurred" means when the Participant is provided with the medical care that gives rise to the Qualifying Medical Expense and not when the Participant formally billed or charged for, or pays for, the medical care.

IN WITNESS WHEREOF, this Amendment THREE has been executed this 4th day of February.

City of Ketchum Medical HRA Plan

BY:  _____

Title: 2/4/13

SUMMARY OF MATERIAL MODIFICATIONS

CITY OF KETCHUM MEDICAL HEALTH REIMBURSEMENT ACCOUNT

I INTRODUCTION

City of Ketchum has amended your Medical Health Reimbursement Account Plan as of March 1, 2012.

This is merely a summary of the most important changes to the Plan. It is presented to you as an addition to the Summary Plan Description. If you have any questions, contact the Administrator. A copy of the Plan, including this amendment, is available for your inspection. If there is any discrepancy between the terms of the Plan or the amendment itself and this summary of material modifications, the provisions of the Plan, as amended, will control.

II GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about Amendment Number THREE to the Plan. This information has been summarized for you in this Section.

1. General Plan Information

City of Ketchum Medical HRA Plan is the name of the Plan.

The amended provisions of the Plan become effective on March 1, 2012, unless otherwise provided.

Your Employer has assigned Plan Number 502 to your Plan.

2. Employer Information

Your Employer's name, address and identification number are:

City of Ketchum
P.O. Box 2315
Ketchum, ID 83340
82-6001390

3. Administrator Information

The name, address and business telephone number of the Administrator are:

City of Ketchum
P.O. Box 2315
Ketchum, ID 83340
(208)726-3841

The Administrator has the complete power, in its sole discretion to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

III SUMMARY OF CHANGES

1. Benefit

The plan allows you to be reimbursed by the Employer for dental deductibles, co-insurance payments, and medical deductibles under our group medical plan which are incurred by you or your dependents.

The maximum Employer contribution allowed each year is:

- (a) \$1,200 per year per single Participant; and
- (b) \$2,400 per year per Participant and family.

Plus any unused amounts from prior Coverage Periods. However, the maximum that can be carried forward to a later Coverage Period is \$7,000.

At the Employer's discretion corrections may be made to the benefit to correct errors.