



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: CARES Act Provisions for the City's FSA Plan

MEETING DATE: October 6, 2020

SUMMARY:

The City Council will consider approving optional changes to the City's FSA (Flexible Spending Account) plans as provided by the CARES (Coronavirus Aid, Relief, and Economic Security) Act.

RECOMMENDATION:

Staff recommends that the City Council approve the following optional changes to the City's FSA plans. These changes are:

- Provides additional time for participants to submit claims;
- Allows prospective election changes to Healthcare and Dependent Care FSAs;
- Increase the carryover limit from \$500 to \$550.

BACKGROUND/ANALYSIS:

Congress passed the CARES (Coronavirus Aid, Relief, and Economic Security) Act, which has provided for FSA plan administrators to make changes to their plans. The changes are intended to provide plan participants who have been impacted by the novel coronavirus with additional tools and resources to help navigate these challenging times. If these changes are approved by City Council, staff will move forward to make these changes administratively. The City's third party administrator, The Advantage Group, will handle the administration of these changes.

ALTERNATIVES:

1. Approve staff recommendation
2. Provide staff with further direction

FISCAL IMPACT:

There is no fiscal impact to the City. These provisions are intended to provide plan participants with additional tools and resources as we all navigate this unprecedented pandemic.

RELATIONSHIP TO STRATEGIC GOALS:

This report before the Council is not applicable to any specific 2016 Strategic Plan goal; however, it is related to the following: Fiscal Sustainability – *The City of Commerce will implement innovative and responsible policies and business practices to effectively manage its fiscal and human resources. The City will maintain a stable financial environment that is transparent and supports an outstanding quality of life for our community. City business practices will be efficient, business friendly and ensure exceptional customer service.*

Recommended by: Josh Brooks, Acting Director of Finance

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager