

RESOLUTION NO. 896

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ADOPTING AMENDMENTS TO THE CITY'S SECTION 125 CAFETERIA PLAN FOR FLEXIBLE SPENDING ACCOUNTS

WHEREAS, on June 9, 2009, Council adopted Resolution No. 792 implementing flexible spending accounts for the employees; and

WHEREAS, this flexible benefits plan (FSA) has been amended to clarify processes, procedures, and timeliness of the claims appeal process; now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council hereby approves the Clarifying Amendment to the City's Flexible Spending Arrangement attached hereto as Exhibit A and incorporated herein, effective March 26, 2012. Agents of the City are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

Section 2. Because this is a clarifying amendment the authorized agents of the City shall act as soon as possible to notify City employees of the adoption of this amendment by delivering to each employee a copy of the Participant Communication attached hereto as Exhibit B and incorporated herein.

RESOLVED by the City Council this 26th day of March, 2012.

APPROVED:



Steven K. Ekberg, Mayor Pro Tem

ATTEST/AUTHENTICATED:



Molly M. Towslee, City Clerk

Filed with the City Clerk: 03/20/12
Passed by the City Council: 03/26/12
Resolution No. 896

EXHIBIT A

**CITY OF GIG HARBOR FLEXIBLE SPENDING ARRANGEMENT
CLARIFYING AMENDMENT**

**ARTICLE I
PREAMBLE**

- 1.1 Adoption and effective date of amendment. The Employer adopts this Amendment to the CITY OF GIG HARBOR FLEXIBLE SPENDING ARRANGEMENT (the "Plan") to clarify processes, procedures, and timelines of the claims appeal process. This Amendment shall be effective upon the effective date.
- 1.2 Supersession of inconsistent provisions. This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

**ARTICLE II
EFFECTIVE DATE**

- 2.1 Effective Date. This Amendment is effective 26 March, 2012.

**ARTICLE III
GENERAL RULES**

- 3.1 Clarification of Flexible Spending Arrangement Appeals Process, Procedures, and Timelines.

If a day care or health care flexible spending arrangement claim is denied in whole or in part, the participant will receive written notification. The notification will include the reason(s) for the denial, a description of any additional information needed to process the claim, and an explanation of the claims procedure. The participant has 180 days after receipt of the denial to submit a written request for reconsideration of the denial to the claims administrator.

Any request may include documents or records in support of the appeal and the participant may review pertinent documents and submit issues and comments in writing. The claims administrator will review the appeal and provide, within 30 days, a written response (extended by reasonable time if necessary). In this response, the claims administrator will explain the reason for the decision, with reference to the provisions of the Plan on which the decision is based, if necessary. If the participant disagrees with the level one appeal decision they may submit a request for a level two appeal to be determined by the Employer. The request for level two appeal must be submitted within 60 days of receipt of the level one denial notice. The participant will be notified with the final decision within 30 days after the Employer receives the appeal (extended by reasonable time if necessary). The Employer has the exclusive right to interpret the appropriate Plan provisions. Decisions of the Employer are conclusive and binding.

Both level one and level two appeals must be submitted by written request by email, fax, or mail to Flex-Plan. The participant must indicate either level one or two appeal on the email, fax, or letter.

Email: claims@flex-plan.com

Fax: 425-451-7002 or 866-535-9227

Mail to: Flex-Plan Services, PO Box 53250, Bellevue WA 98015.

This Amendment has been executed 26 March, 2012.

Name of Employer: City of Gig Harbor WA

By: 
Steven K. Ekberg, Mayor Pro Tem

EXHIBIT B
PARTICIPANT COMMUNICATION
for the
CITY OF GIG HARBOR FLEXIBLE SPENDING ARRANGEMENT

March 26, 2012

- (1) **General.** This communication has information regarding the City of Gig Harbor FLEXIBLE SPENDING ARRANGEMENT (the "Plan"). This Participant Communication supplements the Summary Plan Description ("SPD") previously provided to you.
- (2) **Clarification of Flexible Spending Arrangement Appeals Process, Procedures, and Timelines.**

If a day care or health care claim under the Plan is denied in whole or in part, you will receive written notification. The notification will include the reason(s) for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. You must submit a written request for reconsideration of the denial to the claims administrator within 180 days after receipt of the denial.

Any such request should be accompanied by documents or records in support of your appeal. You may review pertinent documents and submit issues and comments in writing. The claims administrator will review the appeal and provide, within 30 days, a written response to the appeal (extended by reasonable time if necessary). In this response, the claim administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based if necessary. If you disagree with the level one appeal decision you may submit a request for a level two appeal to be determined by the Employer. You must submit your request for level two appeal within 60 days of receipt of the level one denial notice. You will be notified with the final decision within 30 days after the Employer receives the appeal (extended by reasonable time if necessary). The Employer has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

You must file both level one and level two appeals by submitting a written request by email, fax, or mail to Flex-Plan. Indicate either level one or two appeal on the email, fax, or letter.

Email: claims@flex-plan.com

Fax: 425-451-7002 or 866-535-9227

Mail to: Flex-Plan Services, PO Box 53250, Bellevue WA 98015.