



EMPLOYEE BENEFITS

607.7 – RETIREMENT HEALTH REIMBURSEMENT ARRANGEMENT (RHRA)

Policy Purpose: The funding of a Retirement Health Reimbursement Arrangement (RHRA) benefit for individual non-represented, fulltime employees, and criteria to provide tax-free contributions that can be used to assist with paying qualified medical expenses incurred during the employee's retirement.

Policy Coverage: This policy is applicable to all fulltime, active, non-represented employees of the East Fork Fire Protection District.

Adopted Date: 10/19/2021

Revised Date(s): 06/21/2022, 06/20/2023

Policy #: 607.7

1. Background:

The District is dedicated to offering a comprehensive and competitive healthcare package to its employees that is affordable. The District is also committed to a regular review of all benefits and will consider options that are available and affordable that will benefit employees of the District. Over the years, the District has researched various affordable options to assist District employees with healthcare related expenses upon their retirement from the District. The Retirement Health Reimbursement Arrangement (RHRA) is a benefit that enables the District to establish a flat rate contribution into individual employee accounts, which the employee, upon retirement, can use to pay, or be reimbursed, for eligible out-of-pocket medical, dental and vision expenses that are incurred, including insurance premium costs.

2. Policy:

The District has established individual RHRA accounts for all fulltime, active, non-represented employees and will contribute a flat amount into each employee's RHRA account based on established criteria and funding availability. The RHRA account are established in the employee's name. An employee must be actively employed on a full-time basis at the time the contribution is issued to be eligible to receive a contribution.

Funds in an Active RHRA will automatically rollover into the next calendar year and continue rolling over each year. RHRA accounts will be managed by the individual employee who is

solely responsible for meeting all Internal Revenue Service regulations or any other regulations governing such accounts.

Funds in an RHRA are restricted and can only be accessed upon termination or retirement from employment and attainment of age as established under Internal Revenue Service regulations or any other regulations governing such accounts.

Annual Funding for the RHRA will be accomplished through the budget process. However, contribution criteria may change or even be suspended based on available and approved funding on an annual basis and as part of the budget process.

3. Contribution Criteria:

Upon becoming benefit eligible, as stipulated in Policy 607.1 – Employee Life and Medical Insurance, a lump sum contribution amount for each lump sum payment will be made on the first pay day in January of each year based on the employee's consecutive years of service with the District as follows:

- Employees with 0 to 60 months completed will receive an annual contribution totaling One Thousand Dollars (\$1,000).
- Employees with 61 to 120 months completed will receive an annual contribution totaling Two Thousand Dollars (\$2,000).
- Employees with 121 to 180 months completed will receive an annual contribution totaling Three Thousand Dollars (\$3,000).
- Employees with 181 to 240 months completed will receive an annual contribution totaling Four Thousand Dollars (\$4,000).
- Employees with 241 to 300 months completed will receive an annual contribution totaling Five Thousand Dollars (\$5,000).
- Employees with 301 or more months completed will receive an annual contribution totaling Six Thousand Dollars (\$6,000).

The contributions will be effective the first pay date in January 2024 for all fulltime, non-represented employees.

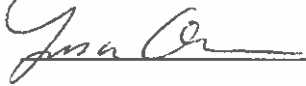
4. Responsibility

The District has no ownership or responsibility for an employee's RHRA account once established. It is solely the responsibility of the employee to ensure they are meeting the terms and conditions of their RHRA plan as established by the Internal Revenue Service or any other regulations governing such accounts. The District's only obligation is identified under Item Number 3, Contribution Criteria, and shall be held harmless from any RHRA activity that occurs after each contribution, including the misuse of funds and any penalties associated with that misuse.

Name: Lisa Owen

Title: Director of Administrative Services

Adoption Date: 6/20/23

Signature: 

RESPONSIBILITY FOR REVIEW: The District Fire Chief, or his/her designee and/or the Director of Administrative Services, or his/her designee will review this policy annually during the open enrollment/benefit renewal process.