



**POLICIES AND PROCEDURES MANUAL**

SUBJECT Voluntary Benefit Programs	DEPARTMENT Human Resources		DEPARTMENT IDENTIFICATION 1400	
	SECTION 1483	PAGES 1-2	EFFECTIVE DATE 12/18/12	REVISION DATE <a href="#">3/4/16TBD</a>

**1.0 PURPOSE:**

To describe the Voluntary Benefit Programs offered to employees of the City of West Allis.

**2.0 ORGANIZATIONS AND PERSONS AFFECTED:**

This policy applies to all City of West Allis departments, boards, commissions, elected officials and employees.

**3.0 POLICY:**

It is the policy of the City to provide Voluntary Benefit Programs for its Elected Officials and employees. An employee may choose to participate in any of the Voluntary Benefit Programs through employee payroll deductions, where applicable. The Finance Department and/or Human Resources Department are responsible for these program offerings.

**4.0 REFERENCES:**

- IRS Section 125: Flexible Spending
- IRS Section 223: Health Savings Account (HSA)
- IRS Section 457: Deferred Compensation
- Treasury Direct Payroll Savings Plan for Savings Bonds
- Employee Assistance Program (EAP)
- Civil Service Rules and Regulations
- City of West Allis Revised Municipal Code, Section 2.76(4) and (6)

**5.0 PROCEDURES-VOLUNTARY BENEFIT PROGRAMS:**

(1) GENERAL POLICIES—SECTION 125: FLEXIBLE SPENDING

This voluntary benefit allows employees to have dollars deducted from their paycheck on a pre-tax basis to pay for certain planned expenses, such as monthly health and/or dental insurance premiums, medical/dental/vision expenses, and dependent care. The Finance and Human Resources Departments are responsible for this program offering.

Eligible employees – this voluntary benefit program is offered to Elected Officials and employees holding a minimum of a 0.5 FTE (full time equivalent) budgeted position.

(2) GENERAL POLICIES—SECTION 457: DEFERRED COMPENSATION and PAYROLL IRA

The City offers two (2) programs that provide a tax benefit to enable employees to save for retirement. The Finance and Human Resources Departments are responsible for these program offerings.

Eligible employees – this voluntary benefit program is offered to Elected Officials and *part-time* and *regular appointment* employees as defined by the [Revised Municipal Code \(RMC\)-and Civil Service Commission](#). Those employees defined by the RMC [and Civil Service Commission](#) as *provisional*,

*temporary appointment or special employee* are ineligible.

- (a) IRS Section 457: Deferred Compensation. Deferred Compensation is an IRS approved method for deferring federal and state income taxes on savings until retirement. Any gains or losses are the investor's responsibility, not the City's.
- (b) Payroll Deduction Roth IRA - A Payroll Roth IRA is simply a Roth IRA funded through contributions that are made directly from employee's pay on an after-tax basis. With Roth IRA's, interest and other earnings on the contributions are tax-deferred – and in some cases, tax-free at the time of withdrawal. Any gains or losses are the investor's responsibility, not the City's.

(3) ~~GENERAL POLICIES~~ – SAVINGS BONDS

Savings Bonds may be purchased by employees through payroll deduction as offered through the TreasuryDirect program ([www.treasurydirect.gov](http://www.treasurydirect.gov)). The Finance Department oversees and coordinates this program.

Eligible employees - this voluntary benefit program is offered to Elected Officials and *part-time* and *regular appointment* employees as defined by the RMC ~~and Civil Service Commission~~. Those employees defined by the RMC ~~and Civil Service Commission~~ as *provisional, temporary appointment or special employee* are ineligible.

(4) ~~GENERAL POLICIES~~ – EMPLOYEE ASSISTANCE PROGRAM (EAP)

The City recognizes that problems of a personal nature can have an adverse effect on an employee's job performance. It also recognizes that most personal problems can be dealt with successfully when identified early and referred to appropriate resources. The purpose of the Employee Assistance Program (EAP) is to help employees and their family members find healthy solutions for life. All information is confidential and will not jeopardize job security or promotional opportunities. The Human Resources Department oversees and coordinates this program.

Eligible employees - this voluntary benefit program is offered to Elected Officials and *part-time* and *regular appointment* employees as defined by the RMC ~~and Civil Service Commission~~. Those employees defined by the RMC ~~and Civil Service Commission~~ as *provisional, temporary appointment or special employee* are ineligible.

(5) ~~GENERAL POLICIES~~ – SECTION 223: HEALTH SAVINGS ACCOUNT (HSA)

This voluntary benefit allows employees to have dollars deducted from their paycheck on a pre-tax basis to pay for medical expenses. The Finance and Human Resources Departments are responsible for this program offering.

Eligible employees – this voluntary benefit program is offered to Elected Officials, retiree health insurance program participants, and employees holding a minimum of a 0.5 FTE (full time equivalent) budgeted position who participate in a High Deductible Health Plan (HDHP) offering by the City of West Allis. An Elected Official, employee or retiree who participates in other health insurance (such as a non-HDHP plan or Medicare Parts A and/or B, Medicaid, Title 19), or is claimed as a dependent on someone else's tax return, are ineligible.

Employees will not be eligible for HSA participation until the month following expiration of any active FSA.

HSA payroll deductions will be made only for deposit into the City-sponsored financial institution.

Employee contributions are allowed up to IRS limitations and shall be prorated based upon employee eligibility date.

The City may contribute ~~Any City contribution~~ to individual employee HSA's. Such contribution shall be established by resolution annually.