

RESOLUTION NO. 20R-05-80

A RESOLUTION PROVIDING FOR THE PAYMENT OF THE MONTHLY HEALTH INSURANCE STIPEND AUTHORIZED BY RESOLUTION NO. 17R-04-130 DIRECTLY TO THE CITY'S HEALTH INSURANCE PLAN; PROVIDING FOR AN EFFECTIVE DATE (REQUESTED BY INTERIM CITY MANAGER, DESORAE GILES-SMITH)

WHEREAS, Resolution No. 17R-04-130, adopted by the City of Lauderhill (the "City") on April 24, 2017, authorized the payment of a monthly stipend (the "Stipend") for pre-Medicare health insurance expenses for certain eligible managerial and confidential employees and elected officials who retire from City service and are receiving a benefit from the City of Lauderhill Confidential and Managerial Employees Defined Benefit Retirement Plan (the "Eligible Retirees"); and

WHEREAS, the Stipend is payable to the Eligible Retirees whether or not the Eligible Retiree is enrolled in the City's health insurance plan (the "City's Plan") or any other health insurance plan; and

WHEREAS, because the Stipend is paid directly to the Eligible Retirees whether or not the Eligible Retiree actually incurs any expense for health insurance, the Stipend must be reported as income for federal tax purposes; and

WHEREAS, the City desires to pay the Stipend directly to the City's Plan for each Eligible Retiree who is enrolled in the City's Plan and to treat such payments to the City's Plan as excludable from income for federal tax purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF LAUDERHILL:

Section 1. Adoption of Recitals. The foregoing "Whereas" clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

Section 2. Authorization to Pay the Stipend Directly to the City's Plan. The City shall pay the Stipend directly to the City's Plan with respect to each Eligible Retiree who is receiving a Stipend, is enrolled in the City's Plan and notifies the City that he or she is enrolled in the City's Plan. If the Eligible Retiree's monthly premium owed to the City's Plan exceeds the

amount of the Stipend, the Eligible Retiree shall be responsible to pay the balance of the monthly premium and the City shall have no responsibility for the payment of such balance. If the Eligible Retiree's monthly premium owed to the City's Plan is less than the amount of the Stipend, the City shall pay the balance of the Stipend to the Eligible Retiree.

Section 3. This Resolution shall take effect immediately upon its passage and adoption.

DATED this _____ day of _____, 2020.

PASSED AND ADOPTED on first reading this _____ day of _____, 2020.

PRESIDING OFFICER

ATTEST:

CITY CLERK

MOTION _____
SECOND _____

M. BATES _____
H. BERGER _____
R. CAMPBELL _____
D. GRANT _____
K. THURSTON _____

Approved as to Form

W. Earl Hall
City Attorney