

**RESOLUTION NO. 20R-06-90**

**A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 20R-05-80; 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 TO ALSO PERMIT COMPENSATION FOR NON-CITY HEALTH PLANS; PROVIDING FOR AN EFFECTIVE DATE (REQUESTED BY INTERIM CITY MANAGER, DESORAE GILES-SMITH)**

WHEREAS, Resolution No. 20R-05-80 was passed to authorize the payment of a monthly stipend for health insurance expenses enrollment in the City's health insurance plan, but did not include reference to any other health insurance or health insurance plan that is a non-City health insurance plan; and

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 or health insurance plan ("Non-city Health 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 or a Non-City Health Plan for each Eligible Retiree who is enrolled in the City's Plan or in a Non-City Health Plan and to treat such payments to the City's Plan or such Non-City Health Plan as excludable from income for federal tax purposes;

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

Section 1. **Rescind and Replace.** Resolution No. 20R-05-80 is hereby rescinded in its entirety and replaced with this Resolution.

Section 2. **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 3. **Authorization to Pay the Stipend Directly to the City's Plan or a Non-City Health 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. In addition, the City shall pay the Stipend directly to the Non-City Health Plan with respect to each Eligible Retiree who is receiving a Stipend, is enrolled in a Non-City Health Plan, notifies the City of the name of the insurance company or the health insurance plan in which he or she is enrolled, and notifies the City of the amount of the premium, the frequency and due date for the premium, the acceptable methods of payment of the premiums and other relevant information. If the amount of the Eligible Retiree's monthly premium owed to the City's Plan or the Non-City Health Plan exceeds the amount of the Stipend, the Eligible Retiree shall be responsible to pay the balance of such 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 or the Non-City Health Plan is less than the amount of the Stipend, the City shall pay the balance of the Stipend to the Eligible Retiree.

Section 4. **Reporting of Stipend for Federal Tax Purposes.** To the extent permitted under applicable federal tax law, the amount of an Eligible Retiree's Stipend paid to the City's Plan or the Non-City Health Plan during any year shall not be reported to the Internal Revenue Service as income of such Eligible Retiree for such year.

Section 5. 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