



CO00041737

**SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON**

ORDINANCE NO. 11-036

**REAFFIRMING THE COUNTY'S
INTERNAL REVENUE SERVICE CODE SECTION 125 FLEXIBLE BENEFITS PLAN;
AMENDING TITLE 3 SNOHOMISH COUNTY CODE**

WHEREAS, pursuant to IRS Regulations, IRC § 125 et sec, an employer may establish a Flexible Benefits Plan and "Reimbursement Account" program which allows employees to set aside a portion of their salary on a pre-tax basis which can then be used to reimburse certain dependent care, health care and other expenses; and

WHEREAS, the county has previously made such a plan available to county employees and officials and the County Council desires to reaffirm the county's plan and formalize the administration of the plan through appropriate provisions of the Snohomish County Code;

NOW, THEREFORE, BE IT ORDAINED:

Section 1. A new chapter 3.20 is added to Snohomish County Code Title 3 to read:

**Chapter 3.20
FLEXIBLE BENEFIT PLAN**

- Sections:
- 3.20.010 Flexible benefit plan established.
 - 3.20.020 Account established.
 - 3.20.030 Adoption of plan.
 - 3.20.040 Program administration.
 - 3.20.700 Sunset.

3.20.010 Flexible benefit plan established. There is hereby established a flexible benefit plan for county employees and elected officials. This plan shall be administered in compliance with Sections 105, 125, and 129 of the Internal Revenue Code and shall include, at a minimum, unreimbursed medical expense and dependent care expense reimbursement provisions. The plan shall provide those benefits described in the plan document adopted pursuant to section 3.20.030.

3.20.020 Account established. (1) There is hereby established a separate account to be known as the Section 125 account to pay employee section 125 related claims.

(2) The account shall be used to hold each participating employee's contributions until such time as the employee requests reimbursement for health care, dependent care and/or other qualifying expenses. Any employee contributions left in the account at the end of the plan year shall be forfeited by the employee. Those forfeitures and any interest earned will be used by the county to offset any administrative costs of this program.

(3) The director of finance shall have the responsibility for the financial administration of the account and shall maintain separate records showing receipts and disbursements for the account. The department of finance may establish rules and regulations for the financial administration of the account. The director of finance shall make necessary payroll deductions in accordance with written authorizations from participating employees to provide employee contributions.


3.20.030 Adoption of plan. The county council shall, by motion, adopt a flexible benefits plan document that qualifies as a cafeteria plan under section 125 of the Internal Revenue Code. The flexible benefits plan document so adopted shall address eligibility for participation in the plan, shall detail the qualified benefits included in the plan, shall include any benefit limits and shall provide all other necessary and prudent provisions to provide for the effective administration of the plan. The adopted flexible benefits plan document may be amended, revised or replaced by the council by motion, as it deems necessary or advisable.

3.20.040 Program administration. The director of human resources shall serve as the plan administrator and shall have responsibility for the day to day operation and administration of the program. The director of human resources shall have responsibility to prepare and distribute to all employees information concerning participation in the plan. The director of human resources may negotiate with brokers of record and/or third party plan providers and may approve and execute contracts for services with plan service providers. The director of human resources may, from time to time, prepare and recommend to the county council revisions to the flexible benefits plan and/or plan document.

3.20.700 Sunset. This chapter, adopted by Ordinance 11-036 or as later amended, is repealed on the date six years following enactment unless re-enacted prior to that date as provided in Snohomish County Charter Section 2.115.

Passed this 22nd day of June, 2011.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

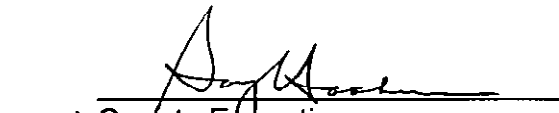

Chairperson

ATTEST:


Clerk of the Council, *asst.*

- APPROVED
- EMERGENCY
- VETOED

DATE: 6/22/11


for: County Executive

GARY HAAKENSON
Deputy County Executive

ATTEST:



Approved as to form only:


Deputy Prosecuting Attorney

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