Finance Committee Meeting November 11, 2016

Present: Bryan Bonina, Steve Cohen, Nick Lefakis, Tony Scott, and Rachel Sherwood from PayChex

There was some discussion about the elimination of the formula, and to give a fixed allotment which includes a ombination of an HRA and a FSA. The FSA can go to 500. As for the HRA, if a staff member doesn't use all of it, we get a portion back; paychex tracks to cut off at $5,000; claim would be reimbursed; 4c contribution must be used before staff can access their contribution.

Rachel will have a booklet for staff so they have directions for the process of accessing the HRA for medical costs.

FSA is for dependent care; there will be a given amount for dependent care. Staff cannot use debit card, but will file claims for reimbursement. Staff members can make a pretax contribution up to $2,600 of their own funds which they can then use for childcare or healthcare. Our contribution which has not been spent comes back to us; staff is allowed to rollover $500 to the next year. The 4Cs will save on FICA based on what we contribute. The dependent care portion is limited to $5,000.

Everyone must get the same amount of money; each staff member picks how they want it spread between HRA and FSA.

Paychex does the administration and will meet with 4Cs staff to set up their accounts. Paychex flex allows us to view the status of the accounts. Once established, Tony would be the plan administrator.

A potential change would be for Disability Insurance which would not be covered.

Cost to 4Cs is an initial set-up fee of $1,200 plus a monthly fee of $100.

The POP Plan would be premium only plan; this can be set up with an FSA.

If we anticipate a January start, we have to let Rachel know 35 days in advance.

We are hoping to have this for Jan 1; but Feb 1 is ok.

We have to advise Paychex what the individual deductions will be for the FSA.

Everyone gets the same amount of money; they can choose between HRA and FSA.

The 4Cs would contribute to HRA. Staff may contribute up to $2,600 into their Medical FSA.

Employer and Employee can contribute total of $5,000 to DCA.

Employee contributions for either is pretax.

We asked Rachel if there are vehicles for payment of student loans? Rachel has no knowledge of a vehicle. Paychex can do an automatic deduction for student loans.

Rachel will get back to us for hard dates to have it setup for January 1, 2017.

The FSA Plan can be set up for staff who have been with us for 0 to 90 days; but we will determine how long staff members have been working here before the HRA becomes effective.

With this change, it appears that there will be a 4.4% to 7.6% increase in payroll costs. Given this increase in costs, we discussed the merits of ending the 1.77% plan, and phasing this new plan in over perhaps 3 years, with gradual increases each year. There were concerns expressed about an increase in costs to the 4Cs with looming possible decreases in revenue.

The committee had consensus that mileage reimbursement requests are ok, but we expect them to be accurate. Also we cannot cap mileage.

We discussed the proposal for a phase out plan for the separation through retirement . There was no support for this among the members of the Finance Committee. The committee felt that this would not be added to the contract, but, a staff member could use sick leave and vacation time. Separation has been a policy mimicking state employment procedures, but has not been in our contract with the UAW.

We discussed the proposal for the payment of student loans for staff. There was no support for this among the members of the Finance Committee.

Notes taken by Nick Lefakis, Chair