

**CONTRA COSTA COUNTY SCHOOLS INSURANCE GROUP**  
***Executive Committee Meeting***  
**AGENDA ITEM DETAIL**

Date:	October 26, 2017	Item Number:	
Issue:	Consider Increase to Flexible Medical Spending Limit for 2018	Information:	
		Action:	X
		Attachment:	

**Analysis:**

American Fidelity Assurance Company provides long and short term disability, as well as many other optional benefits for CCCSIG employees, including flexible medical spending and daycare programs and a 403(B) deferred compensation retirement program.

In 2017, the IRS-mandated maximum amount for employees to set aside pre-tax dollars to spend on eligible medical expenses that are not covered by their health plan was raised to \$2,650. The Executive Committee will be asked to approve the increase in the maximum amount contracted by CCCSIG for the Flexible Medical Spending plan to \$2,650, effective January 1, 2018, and authorize the Executive Director to execute an amended Plan Document to include this increase.

In 2013, the IRS established procedures and processes to allow 403(B) Plan providers to submit a Prototype Plan Document for review and approval. American Fidelity submitted one and it was just recently approved by the IRS. In addition to that plan, the changes require an update to the Administrative Services Agreement. In reviewing the proposed amendments, Contra Costa County Counsel had some suggested changes to clean up some of the language. The changes are not substantive and do not affect the administration of the plan. These changes are being sent back to American Fidelity and asked that they be incorporated into the documents, and the final red-lined versions will be presented at the Executive Committee meeting in January. Previously, when changes were recommended by County Counsel, American Fidelity has accepted and incorporated those changes into the final document.

**Recommendation:**

Approve the increase of the maximum amount for the Flexible Medical Spending plan to \$2,650 and authorize the Executive Director to execute a new Plan Document to include this increase, effective January 1, 2018.