

**Town of Wascott
Douglas County, Wisconsin**

**Resolution 2015-20
Discontinue Reimbursement of Health Insurance for
Any Plan Not Part of a Qualified Group Plan**

WHEREAS, the Wisconsin Town's Association has notified town elected officials of two IRS notices concerning small employers (fewer than fifty full time equivalent employees) and the reimbursement or direct payment of health costs or health insurance premiums; and

WHEREAS, IRS Notice 2013-54 and IRS Notice 2015-17 clarify the IRS position that small employers may no longer reimburse employees for health plan premiums, and may no longer direct pay premiums that are for health insurance that is not part of a qualified group plan, and

WHEREAS, the penalties effective July 1, 2015, for employers who violate these IRS regulations are significant (\$100 per day excise tax per applicable employee, which is \$36,500 per year per employee), and

WHEREAS, the IRS also clarified that employers who must stop paying or reimbursing health insurance premiums but who wish to compensate their employees who will lose this reimbursement, can give their employees a raise to make up for any loss, and

WHEREAS, the Town Board adopted Resolution 2011-12 which provided reimbursement to the town clerk-treasurer for a supplemental health insurance plan; and

WHEREAS, the compensation (annual salary) for the clerk-treasurer is established by the town meeting of electors prior to the latest date and time for filing nomination papers and no change may be made in compensation that applies to the term of office, and, therefore, the Town Board may not give a raise to the clerk-treasurer to compensate the clerk-treasurer for the loss of reimbursement for health plan premiums.

NOW, THEREFORE, BE IT RESOLVED that effective July 1, 2015, no reimbursement may be made to the clerk-treasurer or any town employee for health insurance that is not part of a qualified group plan.

Adopted this 7th day of July, 2015.

Greg Jensen, Chairperson

Bob Fritzke, Supervisor

Lynn Koalska, Supervisor

Janice Newsome, Supervisor

Bill Stapp, Supervisor

Attest: Jeannette Atkinson, Clerk-Treasurer

Vote required: majority vote

Policy Note: The town meeting establishes compensation (salary, per diem, or combination). The town board establishes employment benefits (retirement, insurance, mileage, etc.).