



Department of Employee Relations

**Tom Barrett**  
Mayor

**Maria Monteagudo**  
Director

**Renee Joos**  
Employee Benefits Director

**Vacant**  
Labor Negotiator

February 17, 2017

Aldерwoman Milele Coggs, Chairwoman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**File No: 161409 Flexible Spending & Health Reimbursement Arrangement Request for Proposal**

Dear Alderwoman Coggs and Finance Committee Members:

The City of Milwaukee currently provides an IRS Section 125 Flexible Spending Arrangement program administered by Eflexgroup (now known as TASC) and a Health Reimbursement Arrangement for the Healthy Rewards portion of the Wellness Program. A Flexible Spending Arrangement allows employees to be reimbursed for medical, dependent care and parking expenses from an account funded through employee salary deductions. A Health Reimbursement Arrangement is an IRS approved, employer funded, tax advantaged benefit plan that reimburses employees for out of pocket medical expenses.

The City's Flexible Spending Program includes a medical, dependent care and parking option. Currently there are 2,761 employees enrolled in FSA Medical, 211 in Parking and 122 in Dependent Care. The annual cost to the City for the Flexible Spending program is approximately \$100,000 and both the City and employees benefit based on the tax advantaged use of the funds. In 2016, over 930 employees and spouses earned a \$250 Health Reimbursement Account through the Wellness Healthy Rewards Program.

The Department of Employee Relations will work with Willis Towers Watson to execute a Request for Proposal process for both the Flexible Spending and Health Reimbursement Arrangement programs. A review team will be selected to evaluate the responses including a financial analysis by Willis Towers Watson and the DER will return to the Finance and Personnel Committee later this year with a recommendation for a vendor partner.

I am happy to answer any questions or comments regarding this file.

Sincerely,  
Renee Joos  
Employee Benefits

CC: Ellen Tangen, City Attorney's Office



Dennis Yaccarino, Budget Office

