

## CITY COUNCIL MEMORANDUM

**AGENDA ITEM** Service agreement with Web Benefits Design

**ORIGINATING DEPARTMENT** Human Resources

### **BACKGROUND INFORMATION**

On July 18, 2014, the City of Killeen signed two account contracts with Web Benefit Design for the administration of employee benefits online enrollment and COBRA. On July 8, 2016, a contract addendum was added to Web Benefit Designs for the administration of the Affordable Care Act and Compliance Services of 1094-C and 1095-C Forms.

Starting in 2016, employers subject to section 4980H of the Internal Revenue Code, meaning employers with 50 or more full-time employees, were mandated to file Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, to report the information required under Code sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. The filing deadline was June 30, 2016.

### **DISCUSSION/CONCLUSION**

Web Benefits Design stores the City employees' benefits elections and has access to information needed to administer the filing of Form 1094-C and 1095-C. Utilizing this service will ensure that the 1094-C and 1095-C forms are filed in compliance with federal regulations and the City will have the support from experts who specialize in this area.

Adding this additional service with Web Benefit Designs must have council approval as the cost of the three combined services will exceed \$50,000.

### **FISCAL IMPACT**

Funding for this additional service (\$16,800) is budgeted in the HR Consulting Services account (010-2305-418.47-01) in the FY 17 budget. The available balance in the account is \$57,350.

### **RECOMMENDATION**

It is recommended that City Council approves for the City of Killeen to enter into an agreement with Web Benefit Designs to administer the filing of Form 1094-C and 1095-C for 2017.