



CITY OF DUBLIN

**CITY OF DUBLIN  
ADMINISTRATIVE ORDERS  
OF THE CITY MANAGER**

<b>ADMINISTRATIVE ORDER 2.70</b>
<b>TO:</b> All City Employees
<b>FROM:</b> Marsha Grigsby, City Manager
<b>SUBJECT:</b> Health Savings Account Advance Contributions Request
<b>DATE:</b> February 4, 2011
<b>New Administrative Order</b>

**I. PURPOSE**

The purpose of this Administrative Order is to establish and communicate the City's policy and procedure regarding requests to advance an employee's annual elective Health Savings Account (HSA) contribution and/or the City's HSA contribution (in advance of the normal contribution schedule) due to a financial hardship. It also establishes the standards by which an employee may be eligible to receive his/her annual elective HSA contribution or the City's HSA contribution in advance.

**II. APPLICABILITY**

This Administrative Order shall be applicable to all employees of the City of Dublin who are enrolled in the City's High Deductible Health Plan and have established a Health Savings Account that is eligible to accept funds.

**III. DEFINITIONS**

Annual Elective HSA Contribution – The amount of money the employee elected to have deducted from his/her paycheck on a bi-weekly basis and deposited into his/her HSA during the current plan year.

HSA Normal Contribution Schedule – The amount of money the City of Dublin has scheduled to deposit into each employee's HSA during the calendar year. The City will announce when and how often the money will be deposited normally during the open enrollment period. The amount is based on the employee's coverage level, either single or family, and the amount for which the employee qualified through the City's Wellness Program, Healthy by Choice.

Qualified Medical Expenses – Medical expenses, both medical and pharmacy that count toward an employee's annual deductible.

#### **IV. POLICY & PROCEDURES**

The attached "HSA Financial Hardship Application" form has been developed to allow an employee to request his/her HSA contributions in advance of the normal contribution schedule, if an employee's medical expenses are in excess of their current HSA funds and it is causing a financial hardship to the employee to pay for those expenses. The City Manager will approve financial hardship applications on a case-by-case basis using the criteria listed below.

If during the first three months of the year, a City of Dublin employee's qualified medical expenses exceeds his/her cumulative HSA assets (both the City of Dublin and employee contribution), he/she may be eligible to receive his/her annual elective HSA contribution in advance. The annual elective HSA contribution will be based on the amount the employee elected during the open enrollment period.

If then, the employee's qualified medical expenses exceed his/her cumulative HSA assets plus the accelerated employee contribution; he/she may be eligible to receive a portion of the City's contribution in advance to cover the remaining expenses. In deciding whether or not to approve an advance of a portion of all of the City's contribution into the employee's HSA, the City Manager may give consideration to whether an employee has elected to contribute to his/her HSA account through either payroll deductions or a sick or compensation time conversion.

Employees must submit copies of their qualified medical receipts that support the need for an advanced contribution. The receipts must be for the current plan year for the months of January, February and March. The total of the receipts should exceed the current HSA assets from both the employee's contributions and the City's.

If approved for an advance of the employee contribution, an employee will receive the remainder of their HSA contributions that they elected for the current plan year. If approved for an advance of the City's contribution, an employee will receive the amount necessary to cover the remainder of the expenses from the City's contribution.

If during the current plan year, the employee is no longer enrolled in or declines participation in the City's high deductible health insurance plan by reason of separation from employment or as a result of an election not to participate in the City's health insurance plan, he/she shall pay to the City the prorated amount of both the City's annual HSA contribution and the employee's accelerated contribution. An exception to the above stated repayment requirement would be in the event of the employee's death. The City is authorized to collect the above payments through

payroll deduction from the employee's wages, year end, or terminal leave payments.

HSA financial hardship applications are approved for the current plan year only. Approval of financial hardship applications in any one year does not constitute any entitlement to approval of such applications in future years. The City Manager – will re-evaluate whether to offer financial hardship advances on an annual basis and may decide not to offer such financial hardship advances in future years. The intent of a Health Savings Account program is for employees to anticipate current and future medical expenses and to plan for those expenses accordingly without the need for hardship advances.

**V. APPLICATION FOR HSA FINANCIAL HARDSHIP LOAN**

All eligible employees interested in applying must forward all relevant medical receipts along with the HSA Financial Hardship application to the Director of Human Resources. The Director of Human Resources will review and forward the application to the City Manager for approval. Employees who have been approved for an advanced contribution shall be required to sign an acknowledgement stating that if they are no longer enrolled in or declines participation in the City's high deductible health insurance plan by reason of separation from employment or as a result of an election not to participate in the City's health insurance plan, they shall pay to the City the prorated amount of both the City's annual HSA contribution and the employee's advanced contributions.

Employees who been approved will receive a deposit into their HSA of the remainder of their annual elective contribution and/or the amount approved of the City's annual contribution within ten (10) working days.

Attachment



## HSA FINANCIAL HARDSHIP APPLICATION 2011

**Please complete the following information and return to Human Resources with receipts.**

If during the first three months of the year, a City of Dublin employee's qualified medical expenses exceeds his/her cumulative Health Savings Account (HSA) assets (both the City of Dublin and employee contribution) at that time, he/she may be eligible to receive their annual elective HSA contribution in advance.

If the employee's qualified medical expenses exceed his/her cumulative HSA assets and the advanced employee contribution, then he/she may be eligible to receive the amount necessary to cover the remainder of the expenses from the City's contribution.

The City Manager will approve financial hardship applications on a case-by-case basis, using the criteria attached to this form.

Name	
Position	Work Phone
Work Unit	
I am requesting an accelerated contribution of my annual HSA contribution <input type="checkbox"/>	
I am requesting an accelerated contribution of both the City's and my annual HSA contribution. <input type="checkbox"/>	
<b>Reason for Circumstance:</b> Please provide specific details regarding your request and attach documentation of all associated expenses.	
If approved, I am requesting that the remainder of my annual contribution for the 2011 plan year be deposited into my HSA account within ten (10) working days.	
If approved, I am requesting that the amount necessary to cover the remainder of my expenses from the City's annual contribution for the 2011 plan year be deposited into my HSA account within ten (10) working days.	
Signature	Date

**Criteria for Approval:**

1. You must be enrolled in the City's HDHP insurance and have established a Health Savings Account that is eligible to accept funds.
2. During the first three months of the year, your medical expenses to-date (those expenses that count toward your deductible) must equal or exceed your total HSA assets (City's contribution and employee's contribution) at that time.
3. If approved for an advance of your annual elective HSA contribution, the will be based on the amount elected during the open enrollment period.
4. In deciding whether or not to approve an advance of a portion of the City's contribution into the employee's HSA, the City Manager may give consideration to whether an employee has elected to contribute to his/her HSA account through either payroll deductions or a sick or compensation time conversion.
5. If approved for a portion of the City contribution, it will be based on your coverage level, either single or family, and the amount necessary to cover the remainder of the expenses from the City's contribution.
6. You must submit copies of receipts and Explanation of Benefit Statements that support your need. Receipts and the Explanation of Benefit Statements must be for the current 2011 plan year for the months of January, February and March. The total of the receipts should exceed your current HSA assets from both the City and your own contributions.

HSA financial hardship applications are approved for the current plan year only. Approval of financial hardship applications in any one year does not constitute any entitlement to approval of such applications in future years. The City Manager – will re-evaluate whether to offer financial hardship advances on an annual basis and may decide not to offer such financial hardship advances in future years. The intent of a Health Savings Account program is for employees to anticipate current and future medical expenses and to plan for those expenses accordingly without the need for hardship advances.

You will be notified via phone or email after the application has been reviewed.

<b>For Office Use:</b>	Approve	Not Approve	Need More Info
Amount to Deposit:		Date:	