

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 13, 2011

Board Item: V-A-13

**Ratification of Adoption of the Revised Flexible Compensation Plan**

---

Action by Consent                       Action                       Information

---

In 1998, the Board established a Flexible Compensation Plan, which qualifies as a “cafeteria plan” within the meeting of section 125 of the Internal Revenue Code. The plan allows employees to use pre-tax dollars for employee expenses under various insurance programs and to fund healthcare spending and dependent care spending accounts.

The federal Patient Protection and Affordable Care Act (PPACA) of March 2010 required that health flexible spending accounts be amended by June 30, 2011 to remove over the counter medications and drugs from the list of “qualified medical expenses,” and to reduce the maximum annual contributions effective 2013 from \$5000 to \$2500. Other technical changes were made to revise definitions and to bring the plan document up to date.

In order to meet the June 30, 2011 deadline, the amended and restated plan document was adopted by the CEO/Manager on June 29, 2011. It is requested that the Board ratify the actions taken by the CEO/Manager to authorize the amended restated flexible compensation plan effective January 1, 2011.

**Approvals:**

  
\_\_\_\_\_  
Director of Human Resources

Respectfully submitted,

  
\_\_\_\_\_  
James S. Lochhead, CEO/Manager

  
\_\_\_\_\_  
General Counsel