



## **KENAI PENINSULA BOROUGH**

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**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Blaine Gilman, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Blaine Gilman, Assembly President  
Mike Navarre, Mayor *MN*

**FROM:** Stormy Brown, Director of Human Resources *SB*

**DATE:** September 29, 2016

**SUBJECT:** Ordinance 2016-37, Amending KP.B 22.30.110(E) to Comply with Internal Revenue Service Rules Regarding Enrollment in the Borough Health and Life Insurance Plans

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This ordinance is to update a borough code section to comply with current law governing health insurance policies and related pre-tax deduction requirements.

The Internal Revenue Code limits the ability of individuals covered by plans such as the borough's plan to opt in or out of coverage for the benefits offered by the plan to remain exempt from income tax. Borough code currently states that assembly members may forego any benefit, which includes health and life insurance, upon notice to the clerk. However, the plan only has one annual open enrollment period in which a person may opt in or out of such coverage. Additionally, under law, persons may opt in or out as a result of a qualifying life event or family status change.

This ordinance will amend the code to recognize that such changes in coverage may only occur during the open enrollment period or as otherwise allowed by the plan. Hearing on shortened time is requested so the change is effective before the next open enrollment period, which is November 7, 2016 through December 9, 2016.