



Town of Windham

Town Offices
8 School Road
Windham, Maine

Cover Sheet

File Number: 18-027

Agenda Date: 2/27/2018

Version: 1

Status: Agenda Ready

In Control: Town Council

File Type: Order

I. Council Action Requested.

To amend the Retirement Health Savings (RHS) Plan and require eligible employees, those with ten or more years of service, upon separation from service, to contribute to the RHS Plan for the benefit of the employee, his or her beneficiaries and/or survivors.

II. Basis for Council Action.

Council approval of this item is required because;

- a.) Participation in the Retirement Health Savings plan requires approval by the governing body, and
- b.) Article III, Section 3(l) of the Charter authorizes the Council to “exercise all the legislative, financial, borrowing and other powers now or hereafter given by statute to inhabitants of towns acting in Town Meeting except as otherwise provided herein, and also exercise all the powers now or hereafter given by statute to municipal officers of towns.”

III. Issue Summary.

VantageCare Retirement Health Savings (RHS) Plan is the ICMA Retirement Corporations’ employer-sponsored health benefit savings vehicle that allows employees to accumulate assets to pay for medical expenses (e.g. health insurance, co-pays, prescriptions expenses, etc.) upon separation from service on a tax-free basis. The RHS is similar to other ICMA products in that it allows an employee to invest dollars on a pre-tax basis, however this product also allows for tax-free withdrawals to pay for tax qualified medical benefits.

Employee contributions are not subject to FICA and unemployment contributions, resulting in savings to the Town as well.