

**RESOLUTION NO. 2025-17**

**A RESOLUTION OF THE TOWN OF BELLEAIR, FLORIDA, REPEALING OUTDATED AND UNLAWFUL HEALTH INSURANCE BENEFIT; MAKING RELATED FINDINGS; PROVIDING FOR SEVERABILITY AND FOR AN EFFECTIVE DATE.**

**WHEREAS**, on October 20<sup>th</sup> 1992, the then Town Manager presented a proposed health benefit which would apply only to certain department heads who retired; and

**WHEREAS**, no resolution was adopted, but according to the meeting minutes, Commissioners asked why the Manager was presenting benefits only related to management vs. all employees, to which the Manager indicated this differential treatment was “common”; and

**WHEREAS**, by a vote of 4 to 1, a motion passed adopting the recommended benefits for which applied to five positions; and

**WHEREAS**, in the ensuing years, of the five positions involved, two have been eliminated (Public Works Director and Recreation Director), two are held by individuals who would not meet the years of service/age eligibility requirements of the 1992 benefit (Town Manager and Police Chief), and one (Town Clerk) is currently held by an employee who theoretically could meet the age/years of service requirement in 2038; and

**WHEREAS**, in 2010, Congress enacted the Affordable Care Act, which significantly overhauled healthcare-related laws and regulations with the intent of making healthcare more accessible; and

**WHEREAS**, the Town Commission has recently adopted a new Internal Revenue Code § 125 Cafeteria Plan (an employer-sponsored benefit program that allows employees to choose from a variety of pre-tax benefits, like health insurance, flexible spending accounts, and retirement contributions, reducing their taxable income); and

**WHEREAS**, the Town Attorney has reviewed the 1992 benefit and has advised the Town that since the Town provides a Cafeteria Plan, the non-discrimination rules in 26 U.S.C. § 105(h) and 26 U.S.C. § 125 (related to better benefits for “highly compensated employees”) apply to the Town’s Plan; and

**WHEREAS**, the Town Attorney has therefore advised the Town that continuing to maintain the 1992 benefit would not be compliant with federal law or the new Cafeteria Plan, and has recommended the vote to allow the 1992 benefit be superseded by this Resolution; and

**WHEREAS**, the Town Commission finds that it is in the best interests of the Town to adopt this Resolution.

**NOW, THEREFORE BE IT RESOLVED** by the Town Commission of the Town of Belleair, Florida, that:

**Section 1.** The retirement health benefit for the five managerial positions which was

approved by the Commission by vote on October 20<sup>th</sup> 1992 is hereby repealed for the reasons set forth in this Resolution.

**Section 2.** The Town Manager shall ensure any relevant Town forms or procedures are revised accordingly.

**BE IT FURTHER RESOLVED** that if any section, subsection, sentence, clause, provision or word of this Resolution is held unconstitutional or otherwise legally invalid, same shall be severable and the remainder of this Resolution shall not be affected by such invalidity, such that any remainder of the Resolution shall withstand any severed provision, as the Village Council would have adopted the Resolution even absent the invalid part.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** by the Town Commission of the Town of Belleair, Florida, this **20th day** of **MAY, 2025**.

\_\_\_\_\_  
Michael Wilkinson, Mayor

**ATTEST:**

\_\_\_\_\_  
Christine Nicole, Town Clerk