

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CHULA VISTA ADOPTING THE CITY OF CHULA VISTA  
CAFETERIA BENEFITS PLAN FOR 2025

WHEREAS, the Internal Revenue Code requires that the Section 125 Cafeteria Benefits Plan offered by the City to its employees be in a written document formally adopted by the City Council on or before the first day of the plan year in order to be offered on a pre-tax basis; and

WHEREAS, in June 1998, the City established its first Section 125 Cafeteria Benefits Plan; and

WHEREAS, in compliance with Internal Revenue Code Section 125, the City Council annually adopts a written cafeteria benefits plan prior to the first day of the plan year; and

WHEREAS, the first day of the City's plan year is January 1, 2025; and

WHEREAS, the 2025 Cafeteria Benefits Plan lays out how the City offers eligible employees the choice between cash and certain nontaxable benefits (such as health insurance), thereby allowing employees to pay for the benefits they choose on a pre-tax basis; and

WHEREAS, the specific health plans offered and their structure are not part of the Cafeteria Benefit Plan document, and instead are included in what is known as the Summary Plan Document that was given to eligible employees as part of their open enrollment materials to assist them in making their benefit choices; and

WHEREAS, the specific health plans offered and their structure are determined after our broker, Marsh and McLennan Agency, extensively markets and negotiates with providers to provide coverage comparable to the prior year while keeping the increase in costs to the City and its benefited employees to a minimum; and

WHEREAS, all employee groups are advised of the offers and the plan structures that will provide the least increase in premium costs; and

WHEREAS, under Section 125 of the Internal Revenue Code, an approved, written cafeteria plan is critical; and

WHEREAS, a written cafeteria plan that does not comply with applicable requirements regarding content and timing of adoption does not qualify as a Section 125 Cafeteria Benefits Plan, rendering employees' elections taxable; and

WHEREAS, the City has timed its open enrollment period for the 2025 plan year to comply with these regulations and to meet provider cutoff deadlines for enrollment to ensure employees are covered without interruption; and

WHEREAS, the City's 2025 Cafeteria Benefits Plan includes the following required information: description of available benefits, participation rules, election procedures, manner of contributions, maximum amount of contributions, the plan year, and the plans provisions for complying with flexible spending arrangements (FSAs).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it hereby adopts the City of Chula Vista Cafeteria Benefits Plan for 2025, in the form presented with such minor modifications as may be approved by the City Manager, in consultation with the City Attorney.

Presented by

Approved as to form by

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Tanya Tomlinson  
Director of Human Resources/  
Risk Management

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Marco A. Verdugo  
City Attorney