



Legislation Text

File #: RES-92:1460, **Version:** 1

A RESOLUTION ADOPTING AND APPROVING A "CAFETERIA PLAN" PURSUANT TO SECTION 125 OF THE INTERNAL REVENUE SERVICE CODE AND AUTHORIZING THE MAYOR AND FINANCE DIRECTOR TO IMPLEMENT THIS PLAN.

WHEREAS, a "Cafeteria Plan" is an Employer Sponsored Benefit Package that offers Employee Participants a choice between taking cash and other taxable benefits or taking non-taxable benefits. If the Employee Participant chooses taxable benefits, the benefits are includable in the Employee Participant's gross income as compensation. If non-taxable benefits are chosen, they are excludable from the Employee Participant's gross income to the extent allowed by law; and

WHEREAS, the Jonesboro City Council has found and determined that the initiation of a Cafeteria Compensation Plan for its Employees that will comply with Section 125 and related Sections of the Internal Revenue Code applying thereto is beneficial to all Employees; and

WHEREAS, it is not the intention of the City of Jonesboro to alter or reduce the Benefits of Uniform and Non-Uniform Pension Plans.

WHEREAS, the Department of Finance and Administration is well qualified to administer and execute the duties and functions necessary to prepare, initiate, and operate the Cafeteria Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Jonesboro, Arkansas:

SECTION ONE: that the City Council of the City of Jonesboro wants to initiate a Cafeteria Compensation Plan for its employees which will comply with Section 125 and Related Sections of the Internal Revenue Code.

SECTION TWO: that the City of Jonesboro hereby adopts and approves the provision of a Cafeteria Compensation Plan and that such a plan will be made available to the Employees of the City of Jonesboro.

SECTION THREE: that contributions on all pension plans will be figured on the gross amount before Section 125 deductions are made.

SECTION FOUR: that the Department of Finance and Administration is authorized to prepare, initiate, and operate the Cafeteria Plan.

SECTION FIVE: this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND ADOPTED the 4th day of May, 1992.