**Board Memo**

**DATE:** 2/7/2022

**AGENDA ITEM DETAILS:**

**School/Department**

Human Resources

**Product Vendor or Grant Issuer**

Houchens Insurance Group

**Product or Grant Name**

Employee Optional Benefits Plan Vendor and Section 125 Administrator

**Date/Term (Beginning and End Dates/Year)**

April 1, 2022

**APPLICABLE BOARD POLICY:**

03.12 Compensation and Benefits; 03.22 Compensation and Benefits; 03.124 Insurance; 03.224 Insurance

**DESCRIBE USE OF CONTRACT/PURCHASE/AGREEMENT**

Employee benefits are an essential component of any employee recruitment and retention plan. Optional insurance products are offered at the employees’ expense, of which several are part of our cafeteria plan established per IRS code section 125 as pre-tax benefits. In an effort to review our current options offered to employees, a Request for Information (RFI) was issued.

Consideration was given to maintaining the current offerings of proprietary products by American Fidelity. Consideration was also given to brokerage services, by Houchens Insurance Group, which performs a market search for the products that best meet our employees’ needs. The committee is recommending that Houchens Insurance Group provide the brokerage service for our District. Houchens presented several scenarios for offerings, including a disability option (not part of the cafeteria plan) that will provide lower rates than current offerings.

As an important matter related to the recommendation, the Board is asked to approve Houchens Insurance Group to administer our Cafeteria Plan (Section 125 Plan), ensuring compliance with IRS regulations. This service is currently being provided by American Fidelity.

**FUNDING FOR PURCHASES AND OTHER REQUESTS:**

**Total Cost**

No budgetary impact

**Funding Source**

Not Available

 **\*If more than one funding source, list below along with amount or percent for each source**

Click or tap here to enter text.

**IF THIS IS A GRANT, ENTER AMOUNT TO BE AWARDED:**

Click or tap here to enter text.

**RECOMMENDATION:**

The Benefits Committee is recommending the Board approve Houchens Insurance Group to provide brokerage services for optional offerings of insurance products to our employees and perform administration of the District's Section 125 Cafeteria Plan beginning April 1, 2022 as presented.

**CONTACT PERSON: (submitter)**

Eric Ball, Interim Director of Human Resources