



ASSISTANTS
SIOBHONNE K. WARD
JASON M. MILLER
LINDA S. HINTON
INVESTIGATOR
DAVE SPARKS
JEN SCOTT
TERRY SNEARY

BRADFORD W. BAILEY
PROSECUTING ATTORNEY
HARDIN COUNTY, OHIO
www.hardincountyprosecutor.com

ONE COURTHOUSE SQUARE
SUITE 50
KENTON, OHIO 43326-1575
TELEPHONE: (419) 674-2284
FAX: (419) 674-4767
E-MAIL: prosecutor@co.hardin.oh.us

January 9, 2018

Lynn Township Board of Trustees
Doris Ralston, Fiscal Officer
13458 TR 115
Kenton, OH 43326

Re: Health Insurance Reimbursements

Dear Ms. Ralston,

You requested some advice regarding health care reimbursements. I am enclosing for your reading, a letter I wrote to the Blanchard Township Fiscal Officer in December 2017 on this subject. This letter will answer some of your questions. It specifically addresses the issues about midterm pay increases, retroactivity issues, the need for resolution (not motion), full time employees versus part-time employees and the payment of reimbursement out of several funds. After you read this letter I think it will answer quite a few of your questions on health care reimbursements. However, in the next couple of paragraphs I'll answer some of the specific things mentioned in your letter.

The QSEHRA (Qualified Small Employer Health Reimbursement Arrangement) as you have pointed out, allows health care reimbursements up to \$4,950.00 annually or \$412.50 a month. This must be paid out equally to all individuals. Any reimbursement policy established by the township must be uniformly applied, meaning every individual gets the same amount of money of reimbursement or if you provide insurance coverage, they must get the same amount of insurance coverage uniformly. However, if your township decides to reimburse, it cannot exceed \$412.50 a month. Uniformity is the key.

Second, can you reimburse for Medicare or the supplemental with Social Security? The answer to both questions is yes. Again, the reimbursement you are paying to your individual full-time employees has to be uniform, i.e. not to exceed \$412.50 a month and whether it is reimbursement for their health insurance, or their supplemental on Social Security or Medicare, it is the same dollar amount uniformly across the board. If your providing insurance coverage verses reimbursement then the coverage must be uniform, as given to employee.

Assuming your Township has no reimbursement resolution in effect at the moment, therefore you must pass your policy resolution and get it in place. As each of your Trustees are elected to a new term they then are permitted to get this policy working for them. However, currently they are not able to get the benefit of the reimbursement policy as it would be an interim pay increase. As you can see from the Blanchard letter, you cannot make it retroactive either as there is obviously a paper trail, and an easy audit could clearly see what your doing. These are constitutional prohibitions and your Township doesn't need a recovery finding against it or the individual.

Hopefully between what I have stated here and the attached letter answers your questions.

Sincerely,

Bradford W. Bailey
Hardin County Prosecuting Attorney

BWB/em