



*City of Arts & Innovation*

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# Human Resources Board

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**TO: HUMAN RESOURCES BOARD** **DATE: JANUARY 5, 2026**

**FROM: HUMAN RESOURCES DEPARTMENT**

**SUBJECT: SECTION 125/CAFETERIA PLAN POLICY (V-11)**

**ISSUE:**

Approve revisions to the Section 125/Cafeteria Plan Policy (V-11).

**RECOMMENDATION:**

That the Human Resources Board approve revisions to the Section 125/Cafeteria Plan Policy (V-11).

**BACKGROUND:**

The Section 125/Cafeteria Plan Policy (V-11) was last revised in December 2014. As part of the Human Resources Department's practice of regularly reviewing and updating policies and procedures, this policy was reviewed and refined.

**DISCUSSION**

The Section 125/Cafeteria Plan Policy (V-11) has been updated to ensure continued compliance with the Internal Revenue Code (IRC) and to reflect new plan implementations by the City.

Key revisions include the addition of a new section defining a Health Savings Account (HSA) in accordance with the IRC.

Beginning in 2026, the City is offering a new High-Deductible Health Plan (HDHP), which includes the option for eligible employees to enroll in an HSA. This policy update provides additional information regarding HAS's and outlines applicable eligibility requirements.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: Michelle Vizcarra, Principal Human Resources Analyst

**Attachments:**

Section 125/Cafeteria Plan Policy (V-11).)