



MEMO

TO: Portland Public Schools Board of Education

FROM: Liz Large, Contracted General Counsel

DATE: November 10, 2021

SUBJECT: Amendment to the Cafeteria Plan 5.10.090-P Policy

BACKGROUND

A cafeteria plan is a separate written compliance plan maintained by an employer for employees that meets the specific requirements and regulations of the Internal Revenue Code as it relates to certain benefits that can be offered on a pretax basis.

To comply with the Internal Revenue Code and changes related to the pandemic, the Cafeteria Plan must be amended before December 31, 2021. Currently, the District's Cafeteria Plan is attached to and constitutes the entire Cafeteria Plan 5.10.090-P Policy. In order to allow for more efficient administration of the Cafeteria Plan, we recommend that (1) the policy be amended to remove the plan itself from the policy and (2) that legally required, compliance changes no longer be required to be approved by the Board. Instead, legally required compliance changes will be publicly posted 10 days before plan changes are made, and the financial implications of the changes will be shared with, and may be reviewed by, the Board. Changes to the Cafeteria Plan that represent new material benefit programs will be approved by the Board.

If the recommended changes to the Cafeteria Plan 5.10.090-P Policy are not approved by the Board by December 31, 2021, staff will seek to amend the Cafeteria Plan through the policy making process or ask the Board to waive the 21-day public comment period in order to approve the Cafeteria Plan before the deadline.

The attached amended Cafeteria Plan 5.10.090-P Policy, was reviewed by the Board Policy Committee at the November 10, 2021, meeting and was recommended to move to the full Board for consideration.