



S|D|A|O

SPECIAL DISTRICTS
ASSOCIATION OF OREGON

NEWS & RISK MANAGEMENT REVIEW

WINTER 2019

NEWS & RISK MANAGEMENT REVIEW

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SDAO

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Awards, Education and Training, Internship Grant, Legislative, Research and Technical Assistance, and SDAO Advisory Services, LLC

Contact

Main Office

PO Box 12613 | Salem OR 97309-0613

Toll-Free: 800-285-5461

Phone: 503-371-8667

Fax: 503-371-4781 | Email: sdao@sdao.com

Web: www.sdao.com

Claims Office

PO Box 23879 | Tigard OR 97281-3879

Toll-Free: 800-305-1736

Phone: 503-670-7066

Prop/Cas Claims Fax: 503-620-9817

Workers' Comp Claims Fax: 503-620-6217

Prop/Cas Email: claims@sdao.com

Workers' Comp Email: wc@sdao.com



Celebrate 40 years with us at the



2019 Conference

From: Frank Stratton, Executive Director

2019 is SDAO's 40 year anniversary and we want you to help us celebrate at the SDAO Annual Conference. This is the largest training and networking event of the year for special district board members and staff and will be held February 8-10 in Sunriver. Our conference offers over 20 educational sessions and multiple opportunities for interacting with your colleagues through business meetings, caucus meetings, social activities and more.

We will be offering two pre-conference sessions on Thursday, February 7th focusing on risk management and special district duties and obligations for board members and staff. The conference will officially kick off on Friday with an informative keynote address by Jon Engstrom on cyber security followed by the ever-popular Exhibitor Trade Show, breakout sessions, district caucus meetings, and Exhibitor Reception. Saturday will feature more educational sessions, the SDAO Annual Business Meeting, and Awards Banquet.

Wrap up the festivities on Saturday with an all-request, interactive dueling pianos show with Jeff and Rhiannon. We will end the conference on Sunday morning with breakfast and raffle prizes.

I encourage you to register for the conference as soon as possible to reserve your spot. If your district is an SDAO member and has not sent an individual to the conference in the last three years, your district is eligible for one complimentary registration. We have mailed this offer to key contacts of member districts that qualify. Our room block at Sunriver Resort is already full but condos, townhomes, and houses are still available.

For registration and conference details, please visit the conference website at www.cvent.com/d/cbq3qq

I hope to see you in Sunriver!

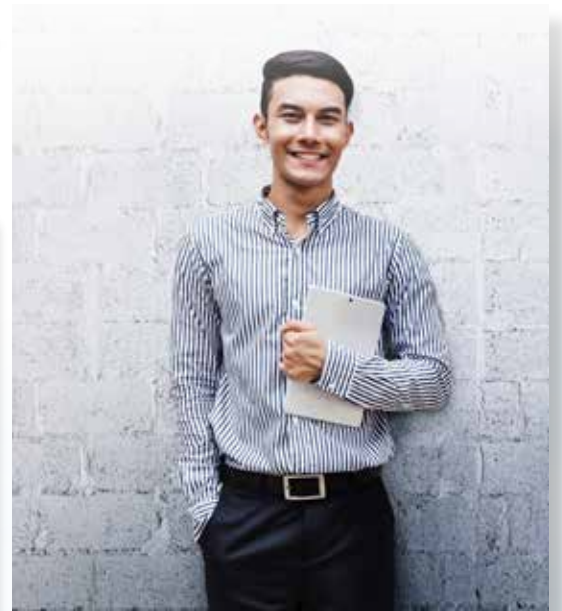
INSPIRING

THE NEXT GENERATION OF

OREGON LOCAL GOVERNMENT

LEADERS

By: Kirsten Wyatt, ELGL



On Friday, September 28, more than 60 University of Oregon undergraduate and graduate students participated in an event to learn more about the work of cities, counties, special districts, and utilities in Oregon. Special Districts Association of Oregon co-hosted this event with ELGL, the Engaging Local Government Leaders network (<http://ELGL.org>).

This event is part of ELGL's nationwide on-campus series of events designed to introduce the variety of careers that students can pursue with local government.

Each event includes a hosted lunch, "quick fire" presentations by speakers representing a wide variety of local government departments, more in-depth conversations with the speakers about their career paths, and a panel on the realities of finding a local government job, internship, or graduate degree. The University of Oregon hosted Oregon's event for the 2018-19 school year.

The quick fire speakers each shared a four minute overview about their field of public service, using pictures and stories to introduce the core functions of their jobs to the students. Students then rotated to tables to speak in small groups with these Oregon public servants:

- ***Lee Dobrowolski, Hillsboro, Police***
- ***Doug Erickson, West Linn, Library***
- ***Rhett Martin, Silverton, City Council***
- ***Sarah Medary, Eugene, Public Works***
- ***Matt Michel, Lane Electric, Electric/Utility***
- ***Steve Mokrohisky, Lane County, Administration***
- ***Cassandra Ulven, TVF&R, Fire***
- ***Ken Warner, West Linn, Parks***
- ***Lisa Young, President, OGFOA***

The "finding a local government job" panel included speakers with first-hand experiences with job searching and hiring:

- ***Mike Thomas, MPA Student, University of Oregon***
- ***Katie Babits, Eugene***
- ***Liz Butterfield, Springfield***
- ***Kylie Bayer, McMinnville***
- ***Laura Vinson, Lane County***
- ***Madison Thesing, Lake Oswego***

"The event was so much fun, exciting and energetic," said Lisa Young, the president of the Oregon chapter of the Government Finance Officers Association (GFOA).

"It was great to see so many students intrigued by the different career paths they could take with a city or county," said Kylie Bayer, the HR Manager for the city of McMinnville. "They asked good questions about the realities of finding a job with one of our local governments after they graduate."

Special Districts CONSULTING SERVICES



We are here to help

The SDAO Consulting Services Program has been a service of our association since 2007 and has assisted nearly every special district in the state through trainings, problem solving, advising, and other consulting services. Our mission is to provide members with assistance in making sound management and policy decisions that are in alignment with best practices and state law. As a result, districts operate more proficiently, with less conflict and liability exposure, providing more resources for their specific service.

It is our vision to be the premier choice and first call by members for exceptional consulting services. To ensure that we are more readily available to our members we recently onboarded Shanta Carter, our new program assistant. Shanta came to us with valuable experiences that will benefit the growth of our program as we begin to streamline processes to make us more efficient and available to our members.

Our consultants can assist your district in various ways including the following:

- *Organizational Assessments*
- *Management Recruitment*
- *Basic Planning*
- *Board Practices Assessment*
- *Board Training*
- *Special Projects*

Member districts are eligible for up to eight hours of services provided by our consultants. After this time is exhausted, members will have the option of continuing at an hourly rate.

For more information about the Consulting Services Program, please contact Shanta Carter at scarter@sdao.com or 800-305-1736.



Holiday Giving



SDAO partnered with two community organizations to give back this holiday season. Our Salem office worked with Family Building Blocks to provide donations for families in need. Family Building Blocks works with parents who have children under the age of five, have come from a troubled past and/or upbringing, and are trying to break that cycle now that they, themselves, have children. Through donated funds from staff and SDAO, we were able to provide coats, educational toys, and books for ten local area children and gift cards for 14 parents.

Our Tigard office adopted a family of four through The Good Neighbor Center. The Good Neighbor Center is dedicated to providing safe, emergency housing and supportive, empowering services to families in need of transitional housing or help finding stable housing. Through the generosity of the staff in the Tigard office we were able to cover almost everything on the family's list, which included books, water thermoses, clothing, picture frames, crafting supplies, etc. With the help of SDAO's \$250 donation, we were able to provide the family with the remaining items on their list and gift cards for things they could do as a family such as dinners and bowling.





WEBSITE ACCESSIBILITY & SPECIAL DISTRICTS

By: Sloane Dell'Orto, Streamline

Having a website that is accessible to visitors with disabilities may seem like a nice-to-have, but the truth is that all local government agencies need to have accessible websites. Why? It is estimated that 15 - 20% of the population has a disability, many of which affect a visitor's ability to navigate a website without the use of assistive technology. It's very likely that some of the citizens your district serves won't be able to view your website if it isn't accessible. (And getting sued for non-compliance is really expensive!)

In January 2018 new requirements for website accessibility were adopted. That brought the issue into the news, which increases the number of people aware of the guidelines, and more organizations checking sites for compliance. Issues that can cause a site to be noncompliant are things like too little color contrast for text / background (for example, light grey text on a white background), lack of alt-text for images (alternative text describing what the image conveys), lack of closed-captioning on videos posted to your site, and anything else that would cause a website to be unusable for visitors using a screen reader, braille reader, or other assistive technology.

Background on Section 508 and WCAG 2.0

In January the guidelines for Section 508 changed to align with the more strict WCAG 2.0 AA requirements. Section 508 is technically part of the US Rehabilitation Act, but is referenced by the Americans With Disabilities Act (ADA). It is the law that requires public organizations to follow web accessibility guidelines, among other things. Private organizations, while not technically required, also face liability if inaccessible: Target settled out of court for \$6 million dollars when sued by the Federation for the Blind over an inaccessible website.

Web Content Accessibility Guidelines (WCAG), version 2.0, were developed by the World Wide Web Consortium (W3C)—an international community that develops open standards to ensure the long-term growth of the Web. Standards range from level A (lowest) to level AAA (highest). The middle rating, AA (referred to as "double A") is the new requirement for any sites built after January 2018.

Testing for compliance

You can test single pages of your site for general compliance using free tools like achecker.ca, which have options to check against either standard. There are also multiple paid services like SiteImprove, which also provides other site scanning features for things like broken links. You can also use a company that does full audits for compliance—they're easy to find with a Google search. Whatever method you use to check your site for accessibility errors, it's important to share the report with your website vendor and make sure they are remedied.

Remember, accessibility goes beyond your website pages—accessibility applies to PDFs, videos, and other content, too. The good news is that reasonable effort counts, so take quick action if you receive an accessibility complaint, as most issues are politely resolved. You might also consider adding a page about your accessibility policies and contact information on your website.

You can learn more by viewing a webinar on Section 508 we presented in early 2018: <https://tinyurl.com/508str> or feel free to reach out to me at sloane@getstreamline.com with questions.

FAQS ABOUT SECTION 508 COMPLIANCE

Do I have to comply with these guidelines?

Yes. All public agencies are required to comply, and even private sector sites have been sued for non-compliance (Target paid \$6M in class damages in 2007.)

What about the "New" Section 508 guidelines?

Section 508 changed effective January 18, 2018 and now refers to WCAG 2.0 AA, a modern worldwide standard for accessibility, much to the relief of many website developers and content managers who found the new regulations to be challenging but less ambiguous. Websites redesigned after January 18, 2018 will be required to meet these new standards, whereas sites designed before this date are only required to meet the old Section 508 standards.

How do I know if I comply with the new Section 508 guidelines?

To get a quick sense of your compliance, you can run a test using achecker.ca. (There is an option to check for both the old 508 requirements, and the newer WCAG 2.0 AA requirements.) You can get more thorough results by using SiteImprove, which is a paid service, or finding an accessibility expert to help (just try Googling "website accessibility testing" to see a few options!)

Help! I'm getting some errors when I run my test. What should I do?

Not to fear! You can forward the results of the test to your website provider and ask them to provide a timely resolution or explanation for the error.

What is the difference between "known errors" and the other types?

In general, anything you see under the known errors list should be addressed, if possible. To do so you can export that list to PDF and share it with your website developer to get everything fixed. Other results, like empty alt tags on images, can be safely ignored if the image was purely for decoration. Your website developer should be able to help you distinguish between the two.

What are the most common Section 508 errors?

- Color contrast - you must have a certain amount of contrast between type and a background.(Exceptions include logos, however.)
- Not having ALT tags for images - a common problem (ALT tags can be empty for decorative images).
- Labels on forms not being properly tagged - this is important so a user with a disability understands what form field they are filling in.
- Not using closed captions on video/audio files.
- Not having a mobile-responsive site.
- Non-semantic HTML (common with homegrown systems) - you must have well-formatted HTML on your site. Having a modern content management system will help with this.

Where can I learn more about Section 508 and other laws regarding accessibility?

There are many laws governing accessibility online. Section 508 is the primary standard for websites. A full list of accessibility guidelines can be found here:

<http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>

You can also contact Streamline at info@getstreamline.com or call (916) 900-6619.



STREAMLINE



2019 Legislative Day

January 18 | 10 a.m. - 3 p.m. | Salem Convention Center

Join us for SDAO Legislative Day to learn more about what your association is accomplishing for special districts and what we can expect during the 2019 Legislative Session.

Topics will include:

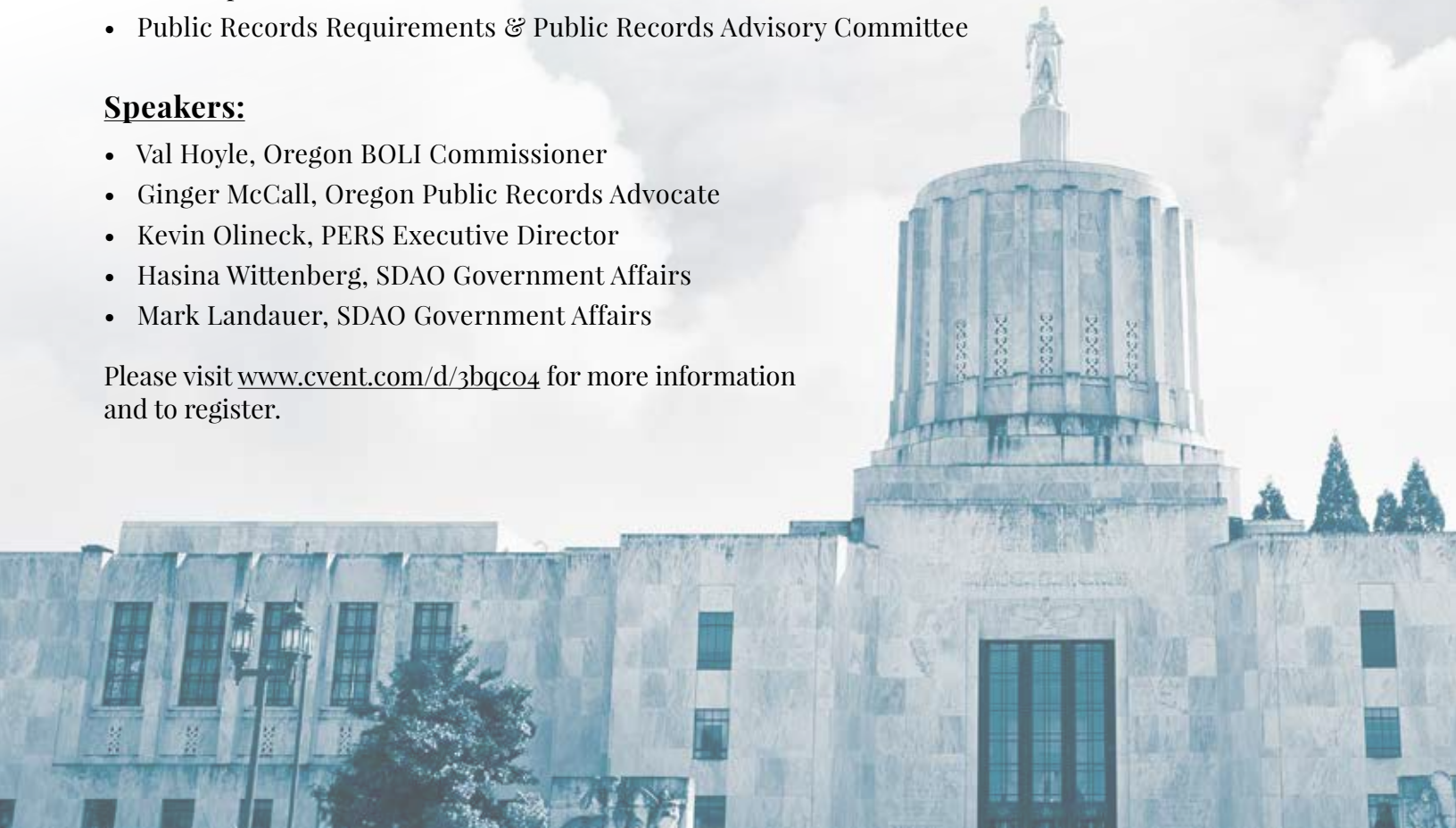
- Election Recap
- Governor's Budget Priorities
- House/Senate Legislative Caucus Priorities
- PERS Update
- Public Records Requirements & Public Records Advisory Committee

Our voice is
STRONGER
with you.

Speakers:

- Val Hoyle, Oregon BOLI Commissioner
- Ginger McCall, Oregon Public Records Advocate
- Kevin Olineck, PERS Executive Director
- Hasina Wittenberg, SDAO Government Affairs
- Mark Landauer, SDAO Government Affairs

Please visit www.cvent.com/d/3bqco4 for more information and to register.



SDAO Members in the *News*

Find additional news clippings online at www.sdao.com > Newsroom

Sunset Empire Park and Recreation District receives wheelchair storage grant

The Daily Astorian | 10/23/2018

The Sunset Empire Park and Recreation District is a recipient of a \$9,000 grant to purchase and install three weatherproof lockers specifically designed to store beach wheelchairs. The grant is awarded by the Travel Oregon Competitive Small Grant program. Seaside is among four coastal towns with free wheelchair access for visitors.

The program offers wheelchairs to the disabled at no cost through the Sunset Empire Park and Recreation District. The competitive grants program awards eligible applicants funding for projects that contribute to Oregon's tourism economy in communities throughout the state that support Travel Oregon's vision of a better life for Oregonians through strong, sustainable local economies.

Please visit https://www.dailyastorian.com/archives/signal/scene/travel-oregon-delivers-assistance/article_0d1fc96e-a0d2-5362-b9a0-c9a8341a7445.html to read more.

Woodburn firefighters help recover war medals from destroyed home in California

KPTV Woodburn | 11/19/2018

Several Oregon strike teams are home after helping battle the Camp Fire in California. One of the crews helped a family sift through the rubble of their home to find treasured war medals, which span from Vietnam to Desert Storm..

When Steve and Rob went digging through the devastation, they were surprised by a few firefighters from the Woodburn Fire District who were eager to help.

Woodburn Fire Chief Joe Budge says he is proud of his crew. He says helping others is a given, but it's the personal touch that really brings it home.

Please visit https://www.kptv.com/news/woodburn-firefighters-help-recover-war-medals-from-destroyed-home-in/article_2910effc-ec80-11e8-8bd3-db6f04965fc8.html to read more.

Save the Dates

for our 2019 SDAO Regional Trainings

	DATE	CITY	LOCATION
BOARD OF DIRECTORS & MANAGEMENT STAFF TRAININGS	Aug. 6	Tigard	Oregon Medical Association
	Aug. 7	Newport	Best Western Agate Beach
	Aug. 20	Medford	Inn at the Commons
	Aug. 21	Cottage Grove	Village Green Resort
REGIONAL HR TRAINING	May 7	Medford	Inn at the Commons
	May 8	Cottage Grove	Village Green Resort
	May 21	Tigard	Oregon Medical Association
	May 22	Newport	Best Western Agate Beach
	May 29	Redmond	Eagle Crest Resort
REGIONAL RISK MANAGEMENT TRAINING	Oct. 1	Tigard	Oregon Medical Association
	Oct. 8	Redmond	Eagle Crest Resort
	Oct. 15	Medford	Inn at the Commons
	Oct. 16	Cottage Grove	Village Green Resort
	Oct. 23	Newport	Best Western Agate Beach

SDAO BOARD MEMBER & SDIS TRUSTEE

Spotlights

Michele Bradley, SDAO BOARD SECRETARY



What role do you serve at your special district and how long have you been with them?

I have been at the Port of Tillamook Bay since 1997, now in my 22nd year here. I started as a file clerk in the front office, then to accounting, office manager and now General Manager (since 2008).

How did you get involved with your special district?

After moving to Tillamook County, I applied through a temp service for an office job. Now here I am. As my work here evolves, I love my job more each day, and no two days are the same. The Port of Tillamook Bay is very diverse – we operate the Tillamook Air Museum, an industrial park, Tillamook Municipal Airport, own a short line railroad and manure digester, provide water and sewer to our customers, and are very involved with the Salmonberry Trail effort.

Why did you seek to join the SDAO Board of Directors?

I appreciate that special districts are all very different, and that the board seeks to provide the same diversity on the board as they have within their districts. As the ports representative, I hope to give input from that perspective, as well as from the Oregon coast lens.

What excites you most about SDAO?

SDAO is constantly seeking to not only stay relevant, but be on the edge of what is new in order to provide the best service to their member districts. For example, cyber security has been on the forefront the past few years, and SDAO has been there to help districts identify and neutralize potential issues. Staff is constantly reviewing projects, and if they are no longer relevant, or need to change direction, the change is made. New programs are created (webinars, Facebook posts, Instagram, etc.) that also help to bridge the generational divide as well.

How has SDAO helped you or your district?

SDAO has always provided great insurance services, but we have also used other services – mostly the pre-loss legal services, but also consulting hours. Additionally, the way they help walk us through workers' compensation claims makes that process easy.

Tell us about your life outside of your day job(s).

The past few years I have kept busy in my "off" time by traveling (St. Lucia, China, and to Portugal this spring) and being a "dance mom" to my only daughter. She is now a freshman at Oregon State (Go Beavs!) studying to become a pharmacist. I sit on a few local boards, and try to keep up with local events, as well as have active discussion with friends – usually very robust discussions with my returned Peace Corps Volunteer friends that I keep in touch with.

Jim Huffman, SDAO BOARD MEMBER

What excites you most about SDAO?

I have enjoyed attending SDAO Conferences every year learning about best board practices and other important things such as staying up to date on important safeguards such as risk management to keep our district healthy and secure. TCTD began its existence due to the efforts of local citizens who were called the "Friends of the Wave". SDAO was there for those folks in the beginning who were every day citizens actually seeing the need to form a special district. SDAO played a major role in its formation, and also in its continued growth over time to present day. It takes good and wise leadership staying involved with SDAO to keep a special district vital and healthy going into the future.



How has SDAO helped you or your district?

SDAO's workshops and training sessions have helped me to better serve as a board member for TCTD. Trainings and workshops about best practices for both board and operations in a special district are vital. Ethics, policies and procedures, effective communication between the board and management, risk management and adequate insurance coverage are just some of the things that have been provided via SDAO's loyal presence and services available to us. As the only at large SDAO Board member that serves on a transportation district board, I especially consider it a privilege and honor to serve the membership of SDAO.

Tell us about your life outside of your day job(s).

I have always enjoyed being in a helping profession working with people as I've been a speech-language pathologist over the past 42 years. I have a great love for music and literature. I play piano and do vocal music when called upon and come from a family that always sings together. I love hiking with my dog, fishing, boating and crabbing at the Oregon Coast and have a home in Netarts with a beach house near the bay and beach. Bird watching is one of my avid hobbies. I especially enjoy walking my dog next to the waves.

Mike Jacobs, SDIS TRUST CHAIR

What role do you serve at your special district and how long have you been with them?

I am the Risk Management Coordinator for the Tualatin Valley Water District, leading the district's risk, occupational safety and health, emergency, and security programs. I also have taken on the role of developing the health and safety program for the Willamette Water Supply Program. I have been with the district since 1993.



How did you get involved with your special district?

I grew up in the water industry. My dad worked at West Slope Water District and during a couple of summers when I was young, I was able spend the day with him on the job. 28 years ago, I started as summer help with TVWD while I was still in high school. I couldn't even drive a district rig – I was too young. Then I got on full time as a Meter Reader almost 26 years ago.

Why did you seek to join the SDIS Trust?

I had a mentor tell me "you should do what you love in the service of those that love what you do". The Trust embodies what I love to do - to work with a great team of people that cares about each other and the cause we are working for. The Trust, Board and staff are some of the best people that I have had an opportunity to work with and, as a team, everything we do is in support of each other to provide the best service to our members. As our member approval rating indicates, our members love the service that SDAO and SDIS are providing.

How has SDAO/SDIS helped you or your district?

SDAO has been a great resource for the district including:

- * Risk Management staff have provided staff training and guidance on the development of risk programs.
- * Claims staff have done a great job managing the district's workers' compensation, property and liability claims.
- * Underwriting staff have helped the district solve complicated coverage issues.
- * Member services has assisted with legal reviews and guided our board through a Board Practices Assessment.



BOLI RELEASES FINAL RULES ON OREGON EQUAL PAY LAW

The final rules for the Oregon Equal Pay Act were released by BOLI on November 19, 2018 with BOLI enforcement of the law beginning on January 1, 2019.

BOLI's Technical Assistance for Employers Program is available for any questions you may have about the law. The phone number is 971-673-0824. In addition information specific to the Pay Equity Law can be found on the BOLI website of www.oregon.gov/boli/TA/pages/index.aspx



800 NE Oregon Street, Suite 1045 Portland, OR 97232-2180

Official statement from BOLI regarding how it intends to enforce certain elements of the law

"In the 2017 session the legislature passed House Bill 2005 requiring pay equity for work of comparable character between protected classes of employees. BOLI has conducted a process to adopt rules which interpret, but must be consistent with, the new law, some, but not all of which becomes effective January 1, 2019. BOLI's administrative rules implementing parts of the law that become effective January 1 have been finalized, and will also be effective January 1.

As with all administrative rules, BOLI's rules interpret parts of the new law where such interpretation was helpful and legislative intent was clear, such as in the area of factors to be considered in determining work of comparable character. Many interested parties, including numerous industry sectors, have been closely engaged in the rulemaking process. In fact, at the request of these industry sectors, the rulemaking process timeline was extended to provide the opportunity for even more input from them.

Some provisions in the new law, like that which restrict court awards of compensatory and punitive damages against employers that perform pay-equity analyses, are outside BOLI's jurisdiction and are not covered by these rules. BOLI has no rulemaking authority over these analyses, and the legislature was silent on how they should be conducted. With no clear legislative intent and no jurisdiction to oversee these analyses, this was not an appropriate area for rulemaking by BOLI.

While BOLI is committed to helping employers understand the new law and helping victims of discrimination find justice, it should be noted that existing laws already prohibit discriminating against employees based on their protected classes. This new law does not provide a new obligation for employers to ensure equal pay between protected classes. This obligation has existed under ORS 659.030, the state employment discrimination law, which prohibits treating someone differently because of their protected class. That includes paying someone less because of their gender, race or other protected status.

If employers have questions about the law, they should contact the bureau's Technical Assistance for Employers Program at 971-673-0824."

Providing reasonable, stable rates, and broad coverage to Oregon's public entities

Special Districts Insurance Services (SDIS) offers unparalleled service and coverage to Oregon's public entities. Insurance program participants enjoy a variety of coverage options with support services and benefits.

SDIS Board of Trustees

Chair: Mike Jacobs, Tualatin Valley Water District
Vice Chair: David Crowther, Bend Metro Park & Recreation District
Secretary: Mark Hokkanen, Tualatin Hills Park & Recreation District
Treasurer: *Vacant*
Trustees: Andrea Klaas, Port of The Dalles
Ted Kunze, Molalla RFPD #73
Stacy Maxwell, Jackson County Fire District 3

Services

Background Checks
Claims Administration
Drug-Free Workplace
Management Consulting Services
On-site Loss Control Consultations
Pre-Loss Legal Services
Safety and Security Grant Program
SDIS Insurance Programs

Next SDIS Board of Trustees Meeting

February 6, 2019 | 3 p.m. | Sunriver Resort, *Sunriver*

April 3, 2019 | 1 p.m. | Columbia Gorge Hotel, *Hood River*

Work Session with SDAO Board

April 4, 2019 | 9 a.m. | Columbia Gorge Hotel, *Hood River*



Employee Benefits *Update*

Health FSA Limit Will Increase for 2019

- Highlights**
- Employees' salary reduction contributions to health FSAs are subject to a maximum dollar limit.
 - The initial dollar limit was \$2,500. For 2018, the dollar limit was increased to \$2,650.
 - For the 2019 plan year, the health FSA dollar limit will be further increased to \$2,700.

Important Dates

November 15, 2018

The IRS announced the health FSA dollar limit for 2019.

Tax Years Beginning in 2019

The \$2,700 dollar limit on employee salary reduction contributions to health FSAs applies for these years.

OVERVIEW

The Affordable Care Act (ACA) imposes a dollar limit on employees' salary reduction contributions to health flexible spending accounts (FSAs) offered under cafeteria plans. This dollar limit is indexed for cost-of-living adjustments and may be increased each year.

On Nov. 15, 2018, the Internal Revenue Service (IRS) released [Revenue Procedure 2018-57](#) (Rev. Proc. 18-57), which increased the FSA dollar limit on employee salary reduction contributions to \$2,700 for taxable years beginning in 2019. It also includes annual inflation numbers for 2019 for a number of other tax provisions.

ACTION STEPS

Employers should ensure that their health FSA will not allow employees to make pre-tax contributions in excess of \$2,700 for 2019, and they should communicate the 2019 limit to their employees as part of the open enrollment process.

An employer may continue to impose its own health FSA limit, as long as it does not exceed the ACA's maximum limit for the plan year. This means that an employer may continue to use the 2018 maximum limit for its 2019 plan year

The ACA initially set the health FSA contribution limit at **\$2,500**. For years after 2013, the dollar limit is indexed for cost-of-living adjustments.

- ✓ 2014: For taxable years beginning in 2014, the dollar limit on employee salary reduction contributions to health FSAs remained unchanged at \$2,500.
- ✓ 2015: For taxable years beginning in 2015, the dollar limit on employee salary reduction contributions to health FSAs increased by \$50, for a total of \$2,550.

An employer may continue to impose its own health FSA dollar limit, as long as it does not exceed the ACA's maximum limit in effect for the plan year.

This Compliance Bulletin is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice. Design © 2018 Zywave, Inc. All rights reserved.

Employee Benefits *Update*

- ✓ **2016:** For taxable years beginning in 2015, the dollar limit on employee salary reduction contributions to health FSAs remained unchanged at \$2,250.
- ✓ **2017:** For taxable years beginning in 2017, the dollar limit on employee salary reduction contributions to health FSAs increased by \$50, for a total of \$2,600.
- ✓ **2018:** For taxable years beginning in 2018, the dollar limit on employee salary reduction contributions to health FSAs increased by \$50, for a total of \$2,650.
- ✓ **2019:** For taxable years beginning in 2019, Rev. Proc. 18-57 further increased the dollar limit on employee salary reduction contributions to health FSAs by an additional \$50, to \$2,700.

The health FSA limit will potentially be increased further for cost-of-living adjustments in later years.

Employer Limits

An employer may continue to impose its own dollar limit on employees' salary reduction contributions to health FSAs, as long as the employer's limit does not exceed the ACA's maximum limit in effect for the plan year. For example, an employer may decide to continue limiting employee health FSA contributions for the 2019 plan year to \$2,500.

Per Employee Limit

The health FSA limit applies on an employee-by-employee basis. Each employee may only elect up to \$2,700 in salary reductions in 2019, regardless of whether he or she also has family members who benefit from the funds in that FSA. However, each family member who is eligible to participate in his or her own health FSA will have a separate limit. For example, a husband and wife who have their own health FSAs can both make salary reductions of up to \$2,700 per year, subject to any lower employer limits.

If an employee participates in multiple cafeteria plans that are maintained by employers under common control, the employee's total health FSA salary reduction contributions under all of the cafeteria plans are limited to \$2,700. However, if an individual has health FSAs through two or more unrelated employers, he or she can make salary reductions of up to \$2,700 under each employer's health FSA.

Salary Reduction Contributions

The ACA imposes the \$2,700 limit on health FSA salary reduction contributions. Non-elective employer contributions to health FSAs (for example, matching contributions or flex credits) generally do not count toward the ACA's dollar limit. However, if employees are allowed to elect to receive the employer contributions in cash or as a taxable benefit, then the contributions will be treated as salary reductions and will count toward the ACA's dollar limit.

In addition, the limit does not impact contributions under other employer-provided coverage. For example, employee salary reduction contributions to an FSA for dependent care assistance or adoption care assistance are not affected by the health FSA limit. The limit also does not apply to salary reduction contributions to a cafeteria plan that are used to pay for an employee's share of health coverage premiums, to contributions to a health savings account (HSA) or to amounts made available by an employer under a health reimbursement arrangement (HRA).

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Employee Benefits *Update*

Grace Period/Carry-over Feature

A cafeteria plan may include a grace period of up to two months and 15 days immediately following the end of a plan year. If a plan includes a grace period, an employee may use amounts remaining from the previous plan year, including any amounts remaining in a health FSA, to pay for expenses incurred for certain qualified benefits during the grace period. If a health FSA is subject to a grace period, unused salary reduction contributions that are carried over into the grace period do not count against the \$2,700 limit applicable to the following plan year.

Also, if a health FSA does not include a grace period, it may allow participants to carry over up to \$500 of unused funds into the next plan year. This is an exception to the “use-it-or-lose-it” rule that generally prohibits any contributions or benefits under a health FSA from being used in a following plan year or period of coverage. A health FSA carryover does not affect the limit on salary reduction contributions. This means the plan may allow the individual to elect up to \$2,700 in salary reductions in addition to the \$500 that may be carried over.

Plan Amendments

Plan documents that specify the health FSA dollar limit must be amended if the higher limit will be used in 2019.

Article by The Partners Group



ONE EASY SECURITY BREACH TO AVOID

By: Jens Jensen, PC Claims Manager

Our members are very good about protecting personal information on their office computer systems. They keep anti-virus software up to date, have a protocol to make sure passwords are changed at regular intervals, make sure they have back-ups of servers and critical data, and train their employees on how to avoid phishing attacks and social engineering emails. These are the common threats we consider when we hear of an identity breach, but there is one that happens more often than we think.



The following scenario has played out as one of the most frequent we have seen in identity breach exposures: An employee leaves a laptop on the front seat of the car when they stop somewhere to get coffee. They come out to find glass on the ground and a missing laptop. The value of the laptop isn't the greatest concern here, but rather the information on it (e.g. personal patron information such as date of birth, SSN, address, health information, etc.).

If this happens at your district, patrons will need to be notified quickly. If there are more than 250 patrons affected, additional reporting to the Oregon Attorney General's office would be in order. Failure to comply with the requirements of the Oregon Consumer Identity Theft Protection Act could result in additional exposure for the district including fines and penalties, not to mention a potential loss of trust by your patrons. SDIS has coverage available to assist with these requirements. If you find yourself facing a security breach or suspect it has happened, please contact the SDAO Claims Department as soon as possible.

Keeping up with anti-virus software and maintaining backups are best practices for preventing a security breach. It is also a good idea to remind employees to not leave laptops in cars, or at least not where they are easily seen. Patrons' information should also not be stored on a piece of mobile equipment, if possible.

SDAO Claims Department, 800-305-1736



RETURN TO WORK

By: Dustin Karstetter, Return to Work Consultant

When an employee is injured, it is the goal of SDIS and our members to get that employee back to work. Our Return to Work Consultant, Dustin Karstetter, has been helping us meet this goal since he was hired in November of 2017.

In this position, Dustin's primary functions are to partner with adjusters in tracking the treatment process for injured workers and aid employers in facilitating early return to work opportunities for them. He also educates districts on the return to work process and corresponding benefits available through wage subsidy reimbursements and equipment purchases for their injured workers.

To date, Dustin has partnered on nearly 200 claims, sharing timely work release information with adjusters and employers, to bring employees back to work as soon as reasonably possible. He has also assisted several of our districts in creating transitional duty jobs for employees while they complete the recovery process from their workplace injuries.

Ergonomic chairs and desks, desktops and laptops, mapping software, digital cameras and ID card printers, motorized office carts, and various other tools can all assist with the return to work process. SDIS can assist with these purchases helping bring injured

employees back to work quicker, thus reducing claim costs and burdens on our districts. Dustin's work with districts in this regard has resulted in the purchase of just over \$80,000 in equipment purchases for injured workers to make use of during their recovery.

In the last year, the return of employees to the workplace has also resulted in \$159,959.18 being returned to our districts by way of wage subsidy reimbursements. This benefit is realized simply by the district providing a transitional duty job that accommodates an employee's work restrictions while they are released to modified duty during their claim. This is in addition to the intangible benefits of reducing the time needed for workers to fully recover from their injuries and improving workplace morale.

As we prepare to roll the calendar into 2019, Dustin is poised to partner on countless new claims, provide hundreds of thousands more dollars in benefits to our districts, and visit with several more of our members. If you feel your district would benefit from an introductory discussion about our return to work program and benefits, or could use assistance in creating transitional duty jobs for your injured employees, please don't hesitate to contact SDAO at 800-305-1736 and ask for Dustin Karstetter.



GOVERNMENT AFFAIRS

Hasina Wittenberg: 503-906-7228

Mark Landauer: 503-906-7238

UNDERWRITING

Toll-Free: 800-285-5461

Email: underwriting@sdao.com

Fax: 503-371-4781

REPORT AN SDIS WC CLAIM

Toll-Free: 800-305-1736

Email: wc@sdao.com

Fax: 503-620-6217

CONTACT SDAO

Administrators for SDIS

Toll-Free: 800-285-5461

MEMBER SERVICES

Toll-Free: 800-285-5461

Email: memberservices@sdao.com

Fax: 503-371-4781

RISK MANAGEMENT

Toll-Free: 800-285-5461

Email: riskmanagement@sdao.com

Fax: 503-371-4781

REPORT AN SDIS P/C CLAIM

Toll-Free: 800-305-1736

Email: claims@sdao.com

Fax: 503-620-9817

MEMBER CALENDAR

Jan. 16	Last day to cancel hotel for conference
Jan. 18	SDAO Legislative Day
Jan. 21	Martin Luther King, Jr. Day – SDAO Offices Closed
Jan. 22	2019 Oregon Legislative Session Convenes
Jan. 29	OWRC/SDIS Board Training
Feb. 6	SDAO Board of Directors Meeting
Feb. 6	SDIS Board of Trustees Meeting
Feb. 7	SDAO First Thursday Webinar
Feb. 7	SDAO Annual Conference – Pre-Conference
Feb. 8 -10	SDAO Annual Conference
Feb. 18	Presidents' Day – SDAO Closed
Mar. 7	SDAO First Thursday Webinar
Mar. 10	Daylight Saving Time Begins