

Benefit Funds - Dental Insurance Fund**Fund 155****BENEFIT FUND OVERVIEW:**

San José Municipal Code section 4.80.2000 establishes the “Benefit Fund” for the deposit and accounting of moneys related to the provision and financing of benefits to City employees and their dependents. To account for the moneys related to the provision and financing of specific benefits, the City established the following benefit funds: Dental Insurance Fund (Fund 155), Life Insurance Fund (Fund 156), the Unemployment Insurance Fund (Fund 157), and the Benefit Fund (Fund 160).

PURPOSE OF THE FUND:

The Dental Insurance Fund accounts for the costs of dental benefits for City employees, City Councilmembers, retirees, and dependents as required by applicable resolutions, ordinances, or contracts. Currently, the City offers a choice of two dental insurance plans: a fully-insured HMO plan and a self-insured Dental PPO Plan. A Dental-in-Lieu Plan is available for employees who have alternative coverage through another group dental plan. Any contributions made by City employees and the City for dental benefits must be deposited into this fund.

Moneys in the Dental Insurance Fund must be used for expenses to provide for dental insurance. Revenues are credited each pay period using rates determined by the Human Resources Department multiplied by the number of employees per department, per rate for the City’s contribution. In addition, contributions from part-time employees are credited to this fund. The fund also receives transfers from the retirement funds to pay for dental benefits provided by the City’s Retirement Plans to retirees.

Reserves in this fund are calculated and validated every year by an actuary and are maintained in amounts sufficient to cover any anomalous claims activity within the self-insured plan and meet the outstanding claim and administrative liabilities, if ever the City were to stop self-insuring.

AUTHORITY FOR THE FUND:

San José Municipal Code sections 4.80.2000 through 4.80.2030. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Employee and retiree contributions
- Interest earnings
- Transfers from City and Retirement Funds

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Contributions from employees and retirees deposited within this fund may only be expended for the purpose for which they were collected. Increases in contribution are not subject to the requirements of Proposition 218.

LEAD RESPONSIBILITY:

Human Resources Department

FINANCIAL INFORMATION AND LOCATION:**Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund- Special Revenue

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

Section 16.03