

Benefit Funds - Life Insurance Fund**Fund 156****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 Life Insurance Fund accounts for the costs of life insurance benefits for City employees, City Councilmembers, retirees, and dependents as required by applicable resolutions, ordinance, or contracts. Any contributions required to be made for life insurance claims are deposited into the fund. In addition, contributions from active and retired employees for additional coverage are credited to this fund.

Basic, Supplemental, and Dependent life insurance coverage, including accidental death & dismemberment coverage (AD&D), is provided through the City's group policy with an insurance company. The City provides life insurance coverage for non-management and management employees in accordance with the various Memoranda of Agreement with the City's bargaining units. Eligible employees, Councilmembers, and retirees based upon medical underwriting approval as determined by the insurer, may elect to purchase supplemental life insurance through regular payroll deductions.

Moneys in the Life Insurance Fund must be used for expenses to provide basic, supplemental, and dependent life insurance. Revenues are credited each pay period using rates determined by the Human Resources Department multiplied by the number of employees per rate for the City's contribution.

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 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. Changes in contribution rates 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 16.04