



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
CITY AND COUNTY OF HONOLULU

No. 24-197

RESOLUTION

URGING THE CITY ADMINISTRATION TO INVESTIGATE THE ESTABLISHMENT OF A COMPENSATION PLUS PROGRAM, OR SIMILAR ACCOUNTABLE REIMBURSEMENT PLAN, FOR OFFICERS AND EMPLOYEES OF THE HONOLULU POLICE DEPARTMENT.

WHEREAS, employees of the City and County of Honolulu ("City"), including members of the Honolulu Police Department ("HPD"), enjoy certain employee benefits such as access to a flexible benefit plan that allows employees to pay for eligible health and dependent care expenses by redirecting a portion of their salary to a health flexible spending account or a dependent care flexible spending account (together, "pre-tax spending accounts"); and

WHEREAS, an accountable reimbursement plan such as the Compensation Plus Program ("CP Plus Program") is another type of pre-tax spending account; and

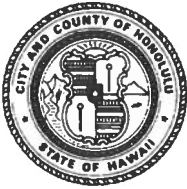
WHEREAS, an accountable reimbursement plan allows employers to offer employees a tax benefit on unreimbursed job-related expenses; and

WHEREAS, under Internal Revenue Service ("IRS") rules, employees participating in an accountable reimbursement plan may designate a certain amount of pre-tax dollars to be withheld from their paychecks per pay period and placed in a spending account, and, upon making qualified purchases, are reimbursed for the cost of the qualifying purchase from the pre-tax dollars accumulated in the spending account; and

WHEREAS, a pre-tax spending account established under an accountable reimbursement plan, can benefit employees in two ways: (1) by reducing their taxable income by the amount withheld from their paycheck and placed in the spending account; and (2) by increasing the purchasing power of their income by allowing them to use tax-free dollars in the spending account to pay for qualifying expenses; and

WHEREAS, U.S. Treasury Regulations Section 1.62-2 relating to accountable reimbursement plans also sets forth conditions for employee expenditures to qualify for reimbursement; and

WHEREAS, such conditions provide that only certain qualifying work-related purchases may be reimbursed through the accountable reimbursement plan; and



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WHEREAS, pre-tax spending accounts such as accountable reimbursement plans may also benefit employers by helping them to attract and retain employees; and

WHEREAS, if the CP Plus Program or a similar accountable reimbursement plan is implemented, items such as union dues, continuing education, and the administration fee for enrolling in the program could be considered qualifying purchases; and

WHEREAS, HPD officers and employees could benefit from an accountable reimbursement plan, since they regularly make unreimbursed, job-related expenditures that may qualify for reimbursement under an accountable reimbursement plan; and

WHEREAS, participation in an accountable reimbursement plan was first brought to the attention of the State of Hawaii Organization of Police Officers ("SHOPO") five years ago; and

WHEREAS, since then, SHOPO has been a proponent of implementing such a program for the benefit of HPD officers and employees; and

WHEREAS, the cost of living in Honolulu has continued to increase and has been exacerbated by the COVID-19 pandemic, supply chain issues, and inflation; and

WHEREAS, an accountable reimbursement plan for the HPD has been supported by individuals such as former Hawai'i Governor John Waihe'e; and

WHEREAS, the City should explore any reasonable pathway available to provide financial relief to its employees due to factors such as the rising cost of living in Hawai'i; and

WHEREAS, if the implementation of this program is successful for the HPD, it could lead to the adoption of similar programs by other departments of the City and the State, further increasing the number of employees eligible to participate in this benefit; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the City Administration to investigate the establishment of a Compensation Plus Program ("CP Plus Program"), or similar accountable reimbursement plan, for officers and employees of the Honolulu Police Department; and



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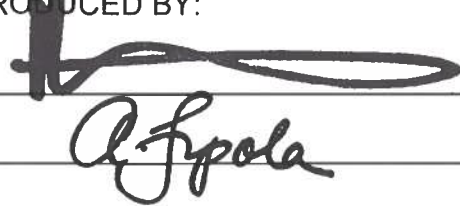
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BE IT FURTHER RESOLVED that the City Administration is further urged to proceed with all proper haste in establishing a CP Plus Program or similar pre-tax accountable reimbursement plan for officers and employees of the Honolulu Police Department; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Police Chief, the Board of Directors of the State of Hawaii Organization of Police Officers, and the Director of Budget and Fiscal Services.

INTRODUCED BY:



DATE OF INTRODUCTION:

JUL 25 2024

Honolulu, Hawai'i

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 24-197

Introduced: 07/25/24 By: MATT WEYER
ANDRIA TUPOLA

Committee: BUDGET (BUD)

Title: URGING THE CITY ADMINISTRATION TO INVESTIGATE THE ESTABLISHMENT OF A COMPENSATION PLUS PROGRAM, OR SIMILAR ACCOUNTABLE REIMBURSEMENT PLAN, FOR OFFICERS AND EMPLOYEES OF THE HONOLULU POLICE DEPARTMENT.

Voting Legend: * = Aye w/Reservations

07/25/24	INTRO	Introduced.
08/20/24	BUD	Reported out for adoption. CR-256 4 AYES: CORDERO, SAY, TULBA, WEYER 1 NO: KIA'ĀINA
09/04/24	CCL	Committee report and Resolution were adopted. 7 AYES: CORDERO, DOS SANTOS-TAM, OKIMOTO, TULBA, TUPOLA, WATERS, WEYER 1 NO: KIA'ĀINA 1 ABSENT: SAY

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



TOMMY WATERS, CHAIR AND PRESIDING OFFICER