

Implementing/Reauthorizing the Permissive Mill levy

Webinar

May 1, 2019

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Steps you've taken to date:

- Your district has been paying a stipend or medical benefit for at least a year.
 - At least starting July 1 of last year.



- Your board has discussed the increased costs of group medical benefits to employee(s) and approved to move forward with implementing the Permissive Levy to pay for the increase.
 - The board must consider employer contributions and any increases in their budget at a board meeting. (Note this in meeting minutes)
 - There are a couple steps to take next.



Next steps:

Implementing the Permissive Mill Levy to Cover Cost of Increased Group Benefits

Now that your board has decided to implement the permissive levy to fund the increase cost of group medical benefits, there are steps to take:

Step 1: Determine what the increased costs are, and estimate the tax implications.

Step 2: Hold a public hearing

Notice Requirements

- Twice at least 6 days apart
- Date, time, place
- Brief statement
- Address and telephone of person to be contacted
- Must keep proof of publication
- Newspaper requirements – not newsletter

Step 3: Submit Determination of Permissive Levy for Group benefits to County by August. (be sure to contact your county early to confirm deadlines)

Estimating what it will cost the taxpayer:

Once your district determines the level of group benefits they will provide to the employee(s), you can then estimate what it will cost the taxpayer. To do this, you will need:

- 2018 Certified Taxable Valuation Information sheet (Form AB-72T)
- Special Mill Levy Calculation spreadsheet cd only

Total Incremental Value \$ -

Lincoln Conservation District
P.O. Box 2170
Eureka, Montana 59917

PUBLIC NOTICE

For Immediate Release
Date: April 27, 2016

For More Information Contact:
Becky Lihme
E-mail: lincolncd@interbel.net
Phone: (406) 297-2233

The Lincoln Conservation District will hold a public hearing on Wednesday, May 18, 2016 at 3:30 p.m. at Weyerhaeuser, 138 Pipe Creek Road, Libby, Montana. The purpose of the public hearing will be to review the conservation district preliminary budget and to consider levying a permissive medical mill to cover the costs of increased costs in FY 2016/17. For more information, contact Becky Lihme, District Administrator at 406-297-2233, 949 U.S. Highway 93 North, Eureka, Montana, lincolncd@interbel.net.

**INSTRUCTIONS
FOR
DETERMINATION OF PERMISSIVE LEVY FOR GROUP BENEFITS**

EFFECTIVE DATE: JULY 1, 2009

SB0491

AN ACT REVISING THE METHOD FOR DETERMINING THE PORTION OF THE PROPERTY TAX LEVY BY
POLITICAL SUBDIVISIONS FOR GROUP BENEFIT INSURANCE CONTRIBUTIONS THAT ARE NOT SUBJECT TO
THE PROPERTY TAX LIMITATION LAW; PROVIDING A TRANSITION PROVISION; AMENDING SECTIONS 2-9-
212, 2-18-703, AND 15-10-420. MCA; AND PROVIDING AN EFFECTIVE DATE.

Group benefits, as defined in 2-9-212 (3)(a), MCA, ... "means hospitalization, health, medical, surgical life, and other similar and related group benefits provided to officers and employees of political subdivisions, including flexible spending account benefits and payments in lieu of group benefits."

Group benefits, as defined in 2-9-212(3)(b), MCA,... "DOES NOT INCLUDE in 33-1-209 and 33-1-221 through 33-1-229, property insurance as defined in 33-1-211, and title insurance as defined in 33-1-212."

ALL LOCAL GOVERNMENTS THAT LEVY PERMISSIVE M

NOTE: LOCAL GOVERNMENTS THAT ARE SELF-INSURE

PER 2-18-703(6), MCA - Unused employer contributions for any established for this purpose by a self-insured government and up occurring to the group of which the employee is eligible to be a m

ACCOUNT # 102180 - RESTRICTED FOR GROUP BENEFITS

THIS BARS ACCOUNT # HAS BEEN ASSIGNED BY THE DE

DETERMINATION OF PERMISSIVE LEVY FOR GROUP BENEFITS

ENTITY NAME:

FOR FISCAL YEAR ENDING:

= INPUT AREAS - PLEASE ENTER THE INFORMATION REQUESTED
= READ COMMENT BOXES IN CELLS FOR FURTHER GUIDANCE
= CELLS CONTAIN FORMULAS - VALUES WILL AUTOMATICALLY CALCULATE

STEP #1

INPUT INFORMATION REQUESTED IN YELLOW CELLS.

	A	B	C	D
	FISCAL YEAR	(LINE 1) BASE YEAR - TOTAL ACTUAL ANNUAL EMPLOYER CONTRIBUTION FOR GROUP BENEFITS IN BASE YEAR (LINE 2) BUDGETING FOR - TOTAL BUDGETED ANNUAL EMPLOYER CONTRIBUTION FOR GROUP BENEFITS	$C = (B + D) \div 12$ AVERAGE MONTHLY EMPLOYER CONTRIBUTION PER EMPLOYEE	ACTUAL # OF EMPLOYEES FOR WHOM THE LOCAL GOVERNMENT MADE EMPLOYER CONTRIBUTIONS TO GROUP BENEFITS ON JULY 1st
1	BASE YEAR		#DIV/0!	
2	BUDGETING FOR		#DIV/0!	
3		(C2 - C1) A DECREASE WILL SHOW AS -0- IN C3 INCREASE FROM BASE YEAR:		0

STEP #2

INPUT INFORMATION REQUESTED IN YELLOW CELLS.

	E
	FOR FISCAL YEAR 0 -1 CERTIFIED TAXABLE VALUE
CERTIFIED TAXABLE VALUE OF GENERAL FUND	

Calendar – PLEASE VERIFY

Prior to July

- Hold public hearing if levying permissive mill preferably
- Formally adopt \$\$ amount at CD board meeting after considering feedback from public meeting. Make sure to note this in meeting minutes.

July

- **1st Monday of July** – submit budget *estimate* to county (even if you haven't held your public meeting)

August

- Submit Permissive Mill Levy Forms to County *Please confirm due date with county*
- Department of Revenue Certifies Taxable Value (*due to CD's first Monday in August*)

September

- 1st Tuesday after first Thursday in September – County sets budget (*Be sure to follow up with county to make sure everything is in order*)

December

- Funds become available to district

FORMS:

Determination of Permissive levy for Group Benefits: *Due in August:*

http://sfsd.mt.gov/Portals/24/LGSB/Forms/AccountingSystemsProgram/2_BudgetReports/Permissive-Levy-Group-Benefits-Rev-July-2018.xlsx?ver=2018-06-29-135254-963

Important notes:

- Contact your local Department of Revenue (DOR) early to find out when Certified Taxable Valuation information will be completed:
- For districts new to implementing a permissive levy, contact your local DOR to confirm deadlines and process.
- Request your DOR or Clerk to keep the permissive levy monies separate from your regular Mills. Often times they will combine, which can make it a bit confusing to decipher just how much is for the permissive and for the regular.

Q&A's

Q: Will the base change if we hold off on implementing the permissive this year, and do it next year.

A: *Yes. It can. If your CD covers the increase out of their budget, then the new base would be what they are paying. In order to set the base, the permissive must be implemented. Once implemented, then the base is set for good.*

Q: If the CD hires an additional employee, do we have to establish a base for that person.

A: *No, once your base is set, it's set regardless how many new employees are hired.*

Q: Does the CD have to provide the same level of benefits to all employees?

A: *Well, there is no law against this, however it may look as if your CD is using it as a wage increase or the like. If your personnel policy states that the CD would pay varying levels of group benefits, that should be spelled out beforehand.*

Q: Can an employee waive their group benefits?

A: *Yes. Just document the request.*

Q: Does a referendum need to be held to levy the permissive medical mill?

A: *No, if the procedures are followed, no referendum need be held.*

Q&A's

Q: My County just combines our mill levy and permissive levy funds together.

A: *Yes. Some counties will not separate them. You can talk with them to see if they will, if not, you must separate them yourself. Split using correlated percentages, and document that.*

Q: Is there a cap on what can be levied?

A: *Yes, the maximum that can be levied is the difference between the base and the increase in cost.*

Q: Can the county say no?

A: *No, the law gives the authority to political subdivisions to determine whether a permissive medical levy should occur. Many counties have not yet levied this tax. Contact them early to find out dates and additional information they may need.*

Q: Do CD employees have to pay taxes on the payment in lieu of group benefits?

A: *Yes. It should be included on the W2 as income. (This may have changed)*

Q: Are CD employees eligible for Health Savings Accounts?

A: *Yes. However it must be through a bank, therefore check with your own bank to see if you qualify. One requirement is that you must on a High Deductible Insurance Plan.*

Q&A's

Q: Do we have to open a separate account to keep funds separate.

A: No, just separate the funds in your books.. Use BARS Acct.

Q: What is the BARS account # for the Permissive Levy funds?

A: #2372

Q: What is the BARS account # for Group Benefits?

A: #2371