

Gym Membership Reimbursement Policy

Objective

The City of Duluth encourages employees to achieve and maintain a healthy lifestyle through physical fitness.

Eligibility

Full-time employees covered under the City medical insurance for the entire quarter are eligible for our gym membership reimbursement program.

Policy

Full-time employees will be reimbursed per quarter, 50% of eligible gym membership fees, up to a maximum of \$60. Eligible fees include membership fees for an individual membership at a fitness center. Employees with a family membership must provide documentation of the cost of an individual membership and will be reimbursed based upon that amount. Employees with an upgraded membership must provide documentation of the cost of the most basic membership available and will be reimbursed upon that amount.

Reimbursement will be calculated per quarter, regardless of the type of membership (annual, quarterly, monthly, or any other type). Gym membership reimbursements will be paid through payroll direct deposit and are taxable.

Procedure

At the close of each quarter, each eligible employee must provide proof of attendance to show a minimum of 36 workout sessions completed in the quarter. The employee must also show proof of payment of eligible gym membership fees for the entire quarter. Proof of payment must include the membership dates the payment covers, type of membership, and if applicable, documents to show the cost of a basic individual membership. These documents must be submitted to the City's Human Resources department within 30 days of the close of each quarter. Once approved by Human Resources, reimbursement will be submitted for processing in the next regular payroll. Reimbursement will not be processed the same week in which the documents were submitted; it will be processed, if approved, in the following regular payroll.

Exclusions

Upgraded membership fees, including but not limited to massage, spa, tanning, and other similar services do not qualify for reimbursement. Additionally, registration fees, joining fees, annual fees, cancellation fees, or any other fees not included in the basic membership do not qualify for reimbursement.

Employees receiving the Insurance Opt-Out Incentive, and therefore not covered under the City's medical insurance, are not eligible for gym membership reimbursement.

Tax Liability

All amounts reimbursed to employees are subject to FICA, Medicare, federal, state, and local taxes and will be reported as taxable income on the employee's W-2 or other tax form.

Additional Information

This program is offered as a voluntary program. Employees are not required to participate.

Employees should consult with a physician before beginning a physical regimen.

Definitions

Gym / Fitness Center – Brick and mortar establishment that offers exercise equipment and/or classes for enhancing physical fitness and wellness. The terms “gym” and “fitness center” may be used interchangeably.

Quarter – There are four quarters per year as defined below:

- Quarter 1: January 1 through March 31
- Quarter 2: April 1 through June 30
- Quarter 3: July 1 through September 30
- Quarter 4: October 1 through December 31

Reimbursement for one quarter does not guarantee reimbursement for future quarters. New documentation must be submitted for each reimbursement.