

## Employee Physical Wellness Reimbursement Program

**Effective date:** February 10, 2026

**Policy owner:** HR/Benefits

**Applies to:** All regular full-time employees

### 1) Purpose

This policy supports employees in maintaining and improving their fitness and overall well-being by reimbursing a portion of eligible gym/fitness program memberships and personal fitness equipment/devices, subject to monthly limits and documentation requirements.

### 2) Benefit Overview

- **Monthly reimbursement cap: \$36** per employee per calendar month.
- **Reimbursement rate:** The City reimburses **50% of the paid receipt amount** (up to the \$36 monthly cap).  
*Example:* If your monthly gym bill is \$50, reimbursement is \$25. If your monthly bill is \$90, reimbursement is \$36 (cap reached).
- **Proof of recent physical:** To be eligible, employees must provide **proof of a medical physical exam completed within the prior 12 months** (attestation from a clinician using the provided City of Blair Physical Examination Verification Form). Employees shall be eligible for reimbursement in the first full month following the proof of physical exam. During the first year of the program the physical exam within the prior 12 months shall be waived.

### 3) Eligible Expenses

#### A. Gym/Fitness Program Memberships

- Monthly or annual memberships at commercial gyms, fitness studios, or digital fitness platforms (e.g. yoga, Pilates, CrossFit, spin, strength, HIIT, martial arts).
- Class packs and recurring subscriptions directly related to physical fitness.
- Payment for fitness classes at commercial gyms or fitness studios outside of the regular gym membership (e.g. Yoga, Pilates, CrossFit, Spin, Strength, HIIT, martial arts).

## B. Fitness Equipment/Devices

- Personal equipment/devices primarily for exercise or fitness (e.g., dumbbells, resistance bands, kettlebells, barbells, weight benches, jump ropes, yoga mats, foam rollers, stationary bikes, rowing machines, treadmills, ellipticals).
- Wearable fitness devices (e.g., heart-rate monitors, fitness trackers) when used for exercise/fitness.

## 4) Ineligible Expenses (examples)

- Nutrition programs, general wellness apps, spa/sauna packages not tied to fitness sessions.
- Athletic footwear/apparel (unless part of an integrated device package—still typically taxable).
- Country club dues or facilities organized for social/recreation purposes.

## 5) Submission Windows & Payment Timing

### A. Gym/Membership Receipts (recurring monthly bills)

Submit **quarterly** during the first two weeks of:

- **January** (for October–December receipts)
- **April** (for January–March receipts)
- **July** (for April–June receipts)
- **October** (for July–September receipts)

**Payroll timing:** Approved quarterly submissions will be paid on the **second paycheck of the submission month**. Receipts must be submitted by the Friday prior to the second paycheck of the submission month.

### B. Fitness Equipment/Devices and Annual Memberships (lump-sum)

Submit **any time**; payment will occur on the **next available payroll** following approval.

## 6) Required Documentation

- **Proof of physical exam:** Document dated within the prior 12 months.
- **Itemized receipt** showing vendor, date, item/service, and amount paid.

- **Frequency:**
  - Gym/membership: one receipt per month (or a consolidated statement) for each month claimed.
  - Equipment/device: itemized receipt for the purchase.

## 7) Limits, Coordination & Carryovers

- The **\$36 monthly cap which is equal to \$432 a year**, is per employee and **does not carry over** to future years.
- The **50% reimbursement rate** applies to the **amount paid** on the receipt, net of discounts or credits.
- If the employee who receive reimbursement from another plan (e.g., HSA/FSA/HRA) for the same item, are responsible for ensuring that no funds are received incorrectly or in excess.
- New employees will not be eligible for this benefit until the first month that they provide proof of physical in the last twelve months.

## 8) Payroll & IRS Compliance Notes (for HR/Payroll)

- **Taxability:** Unless an exclusion applies, **cash reimbursements for off-premises gym memberships and general fitness equipment are taxable wages** subject to federal income tax withholding, FICA, and FUTA, and must be included in the employee's Form W-2. The Company should treat these reimbursements as **taxable fringe benefits**.

## 11) Administration & Contacts

- **Submit claims:** [bguhl@blairne.gov](mailto:bguhl@blairne.gov)
- **Questions:** HR Benefits at 402-426-6689 or [bguhl@blairne.gov](mailto:bguhl@blairne.gov)