

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 are eligible for the gym reimbursement program beginning with the first full quarter of employment.

Policy

Full-time employees will be reimbursed per quarter eligible membership fees, up to a maximum of \$105 per quarter (\$35 a month). Eligible fees include membership fees for an individual membership at a fitness center or at-home gym membership. 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 for 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.

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.

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.

At-Home Gym Membership – Online or app-based workout subscriptions, such as Peloton & Tonal.

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.