

HOW COVID-19 AFFECTS YOUR FSA

Normally, once you enroll in **Company Name's** Flexible Spending Accounts (FSAs) you can't change your contribution amount until the next Open Enrollment; however, due to the COVID-19 pandemic, the IRS has changed some rules so that you may make a new election, or increase or decrease an existing election, for the rest of 2020. This relief applies for Limited Purpose and Healthcare FSAs, as well as for Dependent Care FSAs.



DEPENDENT CARE FSA

Has a COVID-19 related school or day care closure affected what you pay for dependent care? If so, did you know that a change in your cost for dependent care – for any reason – is a life event for your Dependent Care FSA? That's right. If your cost for care changes, you can adjust your contributions any time during the plan year. You can decrease contributions and keep more cash in your pocket or increase them up to the IRS allowed maximum of \$5,000.

Dependent Care FSA funds are for child or adult day care, before- and after-school care and in-home dependent care only.



HEALTHCARE FSA

Recent COVID-19 legislation has changed the list of eligible FSA expenses. These changes are permanent and are retroactive to January 1, 2020. Be sure to look through your receipts for reimbursement opportunities, plus added cost and tax savings!

USE YOUR FSA FOR THESE ELIGIBLE EXPENSES

NEW

OVER-THE-COUNTER MEDICINES
WITHOUT A PRESCRIPTION
TAMPONS, PADS AND OTHER
MENSTRUAL CARE PRODUCTS

EXISTING

PRESCRIPTION MEDICATIONS, AMBULANCE COSTS,
EMERGENCY ROOM CARE, MEDICAL PROVIDER
CHARGES, COPAYS AND COINSURANCE



OTHER CHANGES THAT MAY AFFECT YOUR HEALTHCARE FSA

If your Healthcare FSA allows for a carryover, your carryover limit has been increased to \$550 for 2020. If your plan permits, you may change your elections for the rest of 2020 to account for this increase.

If your Healthcare FSA has a grace period, the IRS will allow your employer to extend the amount of time you have to incur expenses under your FSA. For example, if your plan's grace period ended March 15, 2020, your employer may now extend the grace period to as far as December 31, 2020. This change is for expenses incurred in 2020 only.