In This Together

Making Your Benefits Work for You

## In response to the COVID-19 (novel coronavirus) pandemic, the IRS is allowing more flexibility to change benefit elections during this difficult time. ABC Company has chosen to adopt these measures.

# Updating Your Benefits

Under normal circumstances, you would be allowed to change your benefits only under the following circumstances: 1) you were newly hired, 2) you had a qualifying life event (such as getting married or having a baby) or 3) during annual Open Enrollment. Under new IRS rules, you will be allowed to:

* Enroll in ABC Company’s medical insurance plan for the first time, even if you weren’t enrolled before
* Change from one company medical insurance plan to another
* Add or drop dependents from coverage (i.e., move from single to family coverage or vice versa)
* Drop coverage under your current medical insurance plan\*
* Enroll in, drop or change your regular contributions to a health care and/or dependent care flexible spending account (FSA).

Note: For the FSAs, you cannot reduce your annual amount below what you have already been reimbursed. In addition, you cannot receive a refund.

*\*You must attest, in writing, that you will enroll in an alternate form of health care coverage, such as coverage under a spouse’s plan or through the health care marketplace (exchange). The attestation form may be found on the following page.*

# Option A: Extended Use of Health Care FSA Funds

If you had funds left over in your health care FSA at the end of the original grace period (March 15, 2020), you now have until December 31, 2020, to use any remaining funds. However, if you switched to a high-deductible health plan and are contributing to a health savings account (HSA) this year, you should discuss with your tax advisor whether you can continue contributing to your HSA.

# Option B: Extended Use of Health Care FSA Funds

If you had funds left over in your health care FSA at the end of the original plan year that ended on PLAN YEAR END DATE, you now have until December 31, 2020, to use any remaining funds. However, if you switched to a high-deductible health plan and are contributing to a health savings account (HSA) this year, you should discuss with your tax advisor whether you can continue contributing to your HSA.

## **We understand this can be a confusing time and**

## **information changes on a daily basis. For questions on**

## **how our organization is responding to COVID-19,**

## **please visit [WEBSITE] or call [PHONE NUMBER].**

# Newly Reimbursable Items for Health Care FSAs

Congress expanded the items eligible for reimbursement under health care FSAs. Now, you can use the account to pay for over-the-counter items, such as aspirin, without a prescription, as well as menstrual products, including tampons and maxi pads. This is in addition to eligible health care expenses. For a list of what qualifies as an eligible health care expense, refer to IRS Publication 502 ([**irs.gov/pub/irs-pdf/p502.pdf**](https://www.irs.gov/pub/irs-pdf/p502.pdf)). Please note that you cannot use health care FSA funds to pay for medical plan premiums.

Disclaimer: Neither HUB International Limited nor any of its affiliated companies is a law or accounting firm, and therefore they cannot provide legal or tax advice. This is a sample form based on generally available information and is not tailored to your company’s specific needs or policies. It is not intended to constitute legal or tax advice as to an organization’s specific circumstances. It is based on HUB International's understanding of the law as it exists on the date it was created. Subsequent developments may result in this form becoming outdated or incorrect and HUB International does not have an obligation to update it. You should consult an attorney, accountant or other legal or tax professional regarding the application of this sample form to your organization’s specific situation in light of your organization’s particular needs.

# Health Plan Revocation Attestation Form

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (and other identifying information requested by the employer for administrative purposes).

I attest that I am enrolled in, or immediately will enroll in, one of the following types of coverage:

1. employer-sponsored health coverage through the employer of my spouse or parent;
2. individual health insurance coverage enrolled in through the Health Insurance Marketplace (also known as the Health Insurance Exchange);
3. Medicaid;
4. Medicare;
5. TRICARE;
6. Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA); or
7. Other coverage that provides comprehensive health benefits (for example, health insurance purchased directly from an insurance company or health insurance provided through a student health plan).

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_