

For Employees Currently Enrolled in Flexible Spending:

The IRS has released new guidelines to assist with FSA planning as a result of COVID-19.

Regarding medical FSA plans, the IRS is allowing a new grace period extension for **current** subscribers to incur claims and spend down their balances. **Chelmsford has agreed to a 60-day extension beyond the normal 75 day grace period we already offered. This will allow employees to continue using their cards thru 11/15/20.** This means that members will be able to visit providers (medical and dental), pick up prescriptions, and pay for any other out-of-pocket costs during this time. The balance for plan year 7/1/2019-6/30/2020 of current Benny Card holders will be checked first **through 11/15/2020** before it will withdraw from funds from the new plan year (7/1/2020-6/30/2021).

Also, as a part of the Federal CARES Act, over-the-counter (OTC) expenses are now eligible for FSA funds. This represents another way to spend down your unused FSA medical balance. Please see the attached sheet for additional information regarding these expenses.

Due to the impact of COVID-19 on workplaces, the nature of child care is also in doubt. This has a large impact, especially when it comes to budgeting. Dependent Care members are allowed to make changes to their elections mid-year, meaning that as your circumstances change, so can your dependent care elections. If this situation should arise, please contact Cafeteria Plan Advisors to make the necessary adjustments to your elections.

Anyone with questions regarding this new guideline or questions with your account should email Cafeteria Plan Advisors directly: info@cpa125.com