

COVID-19 Relief Applicable to Welfare Benefit Plans

COVID Relief Available	Notes
May 4, 2020 – DOL/IRS Final Rule: Extension of Certain Timeframes for Employee Benefit Plans, Participants and Beneficiaries Affected by the COVID-19 Outbreak (Updated by EBSA Disaster Relief Notice 2021- 01)	
<p>Delays the following deadlines normally occurring during the Outbreak Period:</p> <ul style="list-style-type: none"> • 30-day deadline for exercising HIPAA special enrollment rights for a group health plan • Filing a claim for benefits • Appealing an adverse benefit determination • Filing a request for external review following receipt of an adverse benefit determination • Filing a request to perfect a request for external review upon a finding that the initial request was incomplete • Notifying a group health plan of a COBRA qualifying event or determination of disability • Electing COBRA continuation coverage under a group health plan • Beginning COBRA premium payments and/or making ongoing, monthly COBRA premium payments 	<p>Automatic Relief.</p> <p>Applies only to plans subject to ERISA (e.g., dependent care FSAs excluded).</p> <p>The “Outbreak Period” is the period beginning March 1, 2020, is determined on an individual basis, and ends on the earlier of:</p> <ol style="list-style-type: none"> (1) one year from the date an individual was first eligible for Outbreak Period Relief, or (2) 60 days after the announced end of the National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak.
March 27, 2020 - The Coronavirus Aid, Relief, and Economic Security (CARES) Act	
<p>Expands definition of “qualified health expenses” – Health FSAs may reimburse the cost of menstrual care products and over-the-counter medications without a prescription.</p>	Automatic Relief.
May 12, 2020 – IRS Notice 2020-29	
<p>2020 Mid-Year Election Change for Health Plan Coverage – At any time during calendar year 2020, an employee may prospectively make, change, or revoke a health plan coverage election absent a change in status event.</p>	Optional. Employer may limit availability of changes and number of changes allowed. An employee may only revoke an existing health plan coverage election if the employee enrolls in different health coverage offered by the employer or attests in writing that the employee is enrolled, or immediately will enroll, in other health coverage.
<p>2020 Mid-Year Election Change for Health and/or Dependent Care FSAs – At any time during calendar year 2020, an employee may prospectively make, revoke, decrease, or increase an existing health and/or dependent care FSA election absent a change in status event.</p>	Optional. Employer may limit availability of changes and number of changes allowed.

<p>Extended 2020 Claims Period for Health and/or Dependent Care FSAs – An employee with unused amounts in a Health and/or Dependent Care FSA as of the end of a grace period or plan year ending in 2020 may apply the amounts to health and/or dependent care expenses incurred through 12/31/2020.</p>	<p>Optional. This relief may be elected with respect to a Health FSA, Dependent Care FSA, or both, and is not available to calendar year plans that do not have a grace period.</p>
<p>May 12, 2020 – IRS Notice 2020-33</p>	
<p>Increased Carryover Limit for Health FSAs – The carryover limit for unused Health FSA balances increased to \$550 for 2020.</p>	<p>Optional. Employer may decide the amount of carryover it will allow under the plan. The allowed carryover amount is now indexed to inflation (20% of the Health FSA maximum).</p>
<p>December 27, 2020 – Consolidated Appropriations Act of 2021</p>	
<p>2021 Mid-Year Election Change for Health Plan Coverage – At any time during the plan year ending in 2021, an employee may prospectively make, change, or revoke a health plan coverage election absent a change in status event.</p>	<p>Optional. Employer may limit availability of changes and number of changes allowed. An employee may only revoke an existing health plan coverage election if the employee enrolls in different health coverage offered by the employer or attests in writing that the employee is enrolled, or immediately will enroll, in other health coverage.</p>
<p>2021 Mid-Year Election Change for Health and Dependent Care FSAs – During a plan year ending in 2021, an employee may prospectively make, revoke, decrease, or increase an existing health and/or dependent care FSA election absent a change in status event.</p>	<p>Optional. Employer may limit availability of changes and number of changes allowed. Employers that allow mid-year election changes may choose whether to allow amounts contributed to an FSA after a mid-year enrollment/increase to be used for expenses incurred prior to the enrollment/increase.</p>
<p>Unlimited Carryover for Health FSAs from 2020 and/or 2021 – Allow participants to carry over any unused funds from the 2020 and/or 2021 plan year into the next plan year.</p>	<p>Optional. May elect to provide relief in only 2020 or 2021, or both. If elected, will supersede the \$550 carryover limit described in IRS Notice 2020-33 (above). Not available if adopting a grace period extension for the Health FSA in the same plan year.</p>
<p>Grace Period Extension for Health FSAs – For the plan years ending in 2020 and/or 2021, the grace period for a Health FSA may be extended from up to 2 months and 15 days following the end of the plan year to 12 months after the end of the plan year.</p>	<p>Optional. May elect to provide relief in only 2020 or 2021, or both. Not available if adopting an unlimited carryover for the Health FSA in the same plan year.</p>
<p>Spend Down Provision for Health FSAs – Allows employees who ceased participating in the plan during the 2020 and/or 2021 calendar years to continue to incur expenses and spend down unused balances through the end of the plan year.</p>	<p>Optional. May elect to provide relief in only 2020 or 2021, or both. If applicable, “plan year” period for spend down includes any grace period (including a 12-month extended grace period described above).</p>

<p>Unlimited Carryover for Dependent Care FSAs from 2020 and/or 2021 – Allows participants to carry over any unused funds from the 2020 and/or 2021 plan year into the next plan year.</p>	<p>Optional. May elect to provide relief in only 2020 or 2021, or both. Not available if adopting a grace period extension for the Dependent Care FSA in the same plan year. Carryovers are not ordinarily permitted for Dependent Care FSAs.</p>
<p>Grace Period Extension for Dependent Care FSAs – For the plan years ending in 2020 and/or 2021, the grace period for the Dependent Care FSA may be extended from up to 2 months and 15 days following the end of the plan year to 12 months after the end of the plan year.</p>	<p>Optional. May elect to provide relief in only 2020 or 2021, or both. Not available if adopting an unlimited carryover for the Dependent Care FSA in the same plan year.</p>
<p>Maximum Age for Dependent Care FSAs – Increases the maximum age for qualified dependents from 12 to 13, for purposes of determining the dependent care assistance that may be paid or reimbursed during (1) the last plan year with regard to which the regular enrollment period ended on or before January 31, 2020, and (2) in the case of an employee who has an unused balance in their dependent care FSA for such plan year, the immediately following plan year (until the qualified dependent attains age 14).</p>	<p>Optional. If plan allows carryover of unused dependent care FSA amounts from the 2020 to 2021 plan year, will allow reimbursement for claims until dependent attains age 14.</p>
<p>March 11, 2021 – The American Rescue Plan Act of 2021</p>	
<p>Increased Maximum Contribution Amount for Dependent Care FSAs – Increased the maximum contribution amount from \$5,000 to \$10,500 (for employees who are married and filing jointly) and from \$2,500 to \$5,250 (for employees who are married and filing separately).</p>	<p>Optional. Increase may occur automatically depending on existing plan language.</p>

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