

COVID-19 Update

April 9, 2020

Important FSA Information

Can you either increase or decrease your FSA election amounts due to COVID-19?

Under IRS rules and as defined in employer plan documents, employees generally cannot make changes to their FSA elections unless they have a qualifying life event.

However, a qualifying event as it relates to COVID-19 may include:

- Change in employment status that affects eligibility
- FMLA leave
- Change to the number of dependents

How does the closure of day care institutions due to COVID-19 impact participants' dependent care contributions?

- The COVID-19 pandemic has had an unprecedented impact on the lives of American workers, parents, and children. An employer's dependent care flexible spending account program (also known as a "dependent care assistance program") generally has flexibility during times like these while parents work.
- Due to recent life events, participants may be eligible to increase or decrease their dependent care FSA elections for situations they may be experiencing, including:
 - Change of day care provider
 - Cost of care changes (unless care provider is a relative)
 - Need for care changes due to a job change or change of work hours

What is the CARES Act and how does it affect your FSA?

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into effect on March 27, 2020, and positively impacts participants' purchasing power by expanding the list of eligible items.
- Retroactively effective as of January 1, 2020, the CARES Act allows participants to now purchase the following items and services, pre-tax, using their FSA:
 - **Over the counter medicines**
 - **Menstrual care products (pads, tampons, liners, and related items)**
- Please keep in mind that merchants will need some time to get their point-of-sale systems and inventory updated with the expansive list of more than 20K newly eligible products.