

FLEXIBLE BENEFIT PLAN

EMPLOYEE UPDATE

07/20/2020

Spend Down/Grace Period

A Flexible Spending Account (FSA) Spend Down/Grace Period has been added for the 7/1/2019 – 6/30/2020 plan year. In an effort to meet the needs of our employees during these extraordinary times, a plan amendment has been approved adding a one-time Spend Down/Grace Period to the 2019-2020 FSA Plans which will extend the period to allow employees to use unused amounts in their FSAs and DCAs to pay for expenses incurred before Dec. 31, 2020.

Spend Down/Grace Period Q & A

Q1. What is a Spend Down/Grace Period?

A1. The spend down/grace period is a predefined time frame after the plan year ends that enables participants to spend down any remaining funds from the previous plan year.

Q2. How does this apply to employees?

A2. Employees who are enrolled in the HFSA or the DCFSA on June 30, 2020 and have a balance remaining may continue using those funds to file for claims incurred from July 1, 2020 through October 31, 2020. All claims must be submitted by December 31, 2020, in order to be eligible for reimbursement under the Grace Period.

Q3. Does the Grace Period apply to me if I canceled my FSA prior to June 30th?

A3. No, it only applies to those participants with an active FSA on June 30th.

Q4. How do I get reimbursed from my previous plan year funds?

A4. You may use your FSA card, file claims online, or file paper claims.

Q5. Can I use my FSA Card to pay for the previous plan year expenses?

A5. Yes, the FSA card can be used to reimburse expenses for the plan year starting July 1, 2020, as well as expenses for the previous plan year. Previous plan year funds are used first and the FSA card may only be used through December 31, 2020 for these funds.

Q6. How do I obtain paper claim forms?

A6. You may log in to <https://www.flex-admin.com/forms> or call customer service at 1-800-437-3539.

Q8. What if I didn't re-enroll in the FSA(s) for the 2020-2021 plan year?

A8. The grace period applies to anyone who was enrolled on June 30th. If you didn't re-enroll, your HFSA card will be deactivated and you will need to file paper claims.

Q9. What if school, daycare etc. is not back in session by next fall? Can I get a refund then?

A9. No, you may decrease or cancel your DCFSA going forward. The election request must be

received within 60 days of the change in your Dependent Care expenses, along with documentation of the change in expenses. If you do not have the documentation, do not miss your deadline. The documents can be submitted later.

Q11. I planned carefully for my expenses in the new plan year. If I am reimbursed for some of these expenses with last year's funds, can I change my election?

A11. No, 2020-2021 FSA elections can only be changed with a valid qualifying midyear event.

Carryover Increase

The carryover amount for FSAs has increased from \$500 to \$550 to account for inflation. The carryover amount applies at the start of the Plan Year 2020-2021. The new carryover limit will be \$550, so any remaining funds up to \$550 will rollover on June 30, 2021.