



COVID-19 Relief for Employee Welfare Benefit Plans

During the last few months, the Department of Labor (DOL), Treasury Department, and Department of Health and Human Services (DHHS) have jointly issued multiple pieces of guidance intended to provide relief to those suffering economic hardships from the coronavirus pandemic.

Find a helpful overview of how the most recent relief affects employee welfare benefit plans [in this article](#) and [consult this chart](#) for details regarding extended deadlines for health and welfare plans. [FAQs regarding Notices 2020-29 and 2020-33](#) released by the IRS last week provide additional details.

Next Steps for Employers

When considering next steps regarding the COVID-related guidance provided, employers and administrators offering pre-tax savings & spending accounts should keep in mind that you:

Must

- Review plan documents to ensure allowance of coverage for eligible over-the-counter (OTC) items without a prescription and include in plan document amendment (CARES Act)
- Allow claim runout period to be extended through _____ (Date TBD for the end of the national emergency + 60 days known as the outbreak period) for plans subject to ERISA and include in plan document amendment (Notice 2020-01)
- Extend time allowed to spend healthcare FSA funds until July 15, 2020 for non-calendar-year plans that end, or have a grace period that ends, between April 1, 2020-July 14, 2020 (Notice 2020-23)
- Issue Summary of Material Modifications regarding plan amendments by a reasonable date following the end of the outbreak period not to exceed 210 days (Notice 2020-29)

Have the option to

- Allow mid-year election changes for healthcare, health FSA and dependent care (DCAP) plans prospectively. Keep in mind changes made to elections may impact your discrimination testing results. (Notice 2020-29)
- Amend plans to extend a grace period through December 31, 2020 for a grace period or a plan year ending in 2020. This does not exclude plans that have a carryover. (Notice 2020-29)
- Increase the FSA carryover amount from \$500 to \$550 with a plan amendment (Notice 2020-33)

Cannot

- Allow FSA and DCAP election changes that are less than the amount of funds already spent or that have already been contributed (Notice 2020-29)
- Offer an HSA to FSA participants until the grace period under a full FSA has been exhausted (Code §223)
- Reimburse for any items not considered a qualified expense per Section 213(d) (Notice 2020-29)

Note: The joint rulings also affect COBRA deadlines. Chard Snyder is still clarifying our operational response as addressed in the last Compliance Alert (5-13-20). We will provide further guidance on COBRA-related items soon.

Now - Be thinking about and discussing these items, especially those that are optional, with your team. You have time to make decisions and amend plan documents, and there will be further guidance coming. Chard Snyder recommends speaking to your legal counsel when making these decisions.

Soon - Chard Snyder will provide additional communication on how to move

forward. You can reach out to your Chard Snyder account team with questions.

Plan Document Amendments

COVID-19-related governmental guidance, legislation, and notices may impact your benefit plan documents and require amendments. **Chard Snyder is taking a deliberate approach to thoroughly review all ongoing guidance and streamline the document amendment process for efficiency.** We will work with you to administer COVID-19-related plan changes. We are reviewing logistics related to our systems and documents to ensure that we take into account all continued revisions. Rest assured, we're working to keep you and your benefit plans compliant, and we will communicate with you as more direction becomes available.

Employers have until Dec 31, 2021 to make plan document amendments, but will need to notify Chard Snyder if they choose to do so.

Chard Snyder provides

Savings & Spending Accounts - FSA, HSA, HRA, Commuter Benefits
Benefit Continuation Services - COBRA; Retiree, Direct & Other Billing
Plan Document Services - Wrap, POP, Plan-Specific Documents & Testing
FMLA Leave Administration - End-to-end process management