

IMPORTANT - Changes to the Federal Flexible Spending Account Program Effective July 1, 2020

Changes are coming to the Federal Flexible Spending Account (FSAFEDS) Program. The purpose of this notice is to announce a 60-day, limited period during which participants can make mid-year changes to their FSAFEDS elections; however, additional upcoming changes are addressed in this e-mail.

PLEASE NOTE: This notice is not authorizing a new opportunity to enroll or make changes in enrollments under the Federal Employees Health Benefits (FEHB) Program or the Federal Employees Dental and Vision Insurance Program (FEDVIP).

INCREASE OR DECREASE FSAFEDS ELECTIONS

The United States (U.S.) Office of Personnel Management (OPM) is permitting FSAFEDS participants a 60-day, limited period during which certain mid-year changes can be made to their existing elections. Although the Coronavirus Disease 2019 (COVID-19) pandemic is the reason for these additional flexibilities:

- Participants do not need to be directly affected by COVID-19.
- Participants do not need to experience a Qualifying Life Event (QLE).
- Participants do not need to provide any documentation to make changes.

The limited period begins on July 1, 2020, and ends 60 days from July 1, 2020.

During the 60-day, limited period, all participants who have enrolled in a 2020 Health Care Flexible Spending Account (HCFSAs), Limited Expense Health Care Flexible Spending Account (LEX HCFSAs), or Dependent Care Flexible Spending Account (DCFSAs) will be allowed to make a one-time change (increase or decrease) in the amount of their annual election in each FSA account in which they are enrolled. The election change will be effective, prospectively, on the first pay period after approval by FSAFEDS.

Accordingly, participants cannot receive a refund of allotments from pay they have already made to their FSA account(s) year-to-date. In addition, participants cannot decrease their election below the amount already allotted to the FSA account OR the amount already reimbursed for eligible expenses, whichever is greater.

For participants who make a change in their election, FSA allotments will be adjusted prospectively and prorated over the remaining pay periods. Therefore, the new allotment amount each pay period will depend on the number of remaining pay periods at the time the change becomes effective.

This 60-day, limited period to increase or decrease the FSAFEDS election should not be confused with the existing opportunity to increase or decrease DCFSAs or HCFSAs elections through September 30, 2020, based on a QLE such as cost or coverage changes in childcare or elder care.

EXTENDED PERIOD TO BOTH INCUR ELIGIBLE EXPENSES AND CLAIM REIMBURSEMENT OF UNUSED 2019 DCFSAs AMOUNTS UNTIL DECEMBER 31, 2020

Participants who made an election to a DCFSAs for the plan year ending December 31, 2019, had until March 15, 2020 (the "grace period"), to incur eligible DCFSAs expenses. Claims for reimbursement of these expenses were due by April 30, 2020, which was the deadline for submitting claims from the previous plan year. Any funds not used during the grace period are normally forfeited. An extension of this period is being allowed this year on a one-time basis. Specifically, participants who made an election to a DCFSAs in the plan year ending December 31, 2019, will now be allowed to both incur eligible expenses and claim any 2019 funds remaining in their DCFSAs account until December 31, 2020. The extended claim period is automatic for qualified participants.

HCFSAs AND LEX HCFSAs CARRYOVER AMOUNT FROM 2020 INTO 2021 INCREASED TO \$550

Participants may now carry over up to \$550 of unused amounts in their HCFSA and LEX HCFSA remaining at the end of 2020 into 2021, if they re-enroll for the 2021 plan year. This increased carryover amount of \$550 will remain in place for plan years beyond 2021.

HOW TO SUBMIT ELECTION CHANGES

Participants can contact FSAFEDS by visiting www.FSAFEDS.com or by calling 1-877-FSAFEDS (372-3337) to take advantage of these FSAFEDS Program flexibilities, or for questions and additional information.