



## COVID Relief Bill Form — Overview and Key Considerations

*This document provides additional guidance for filling out the **COVID Plan Changes Form**.*

The Consolidated Appropriations Act, 2021 included several items that impact flexible spending accounts (FSAs) and dependent care assistant plans (DCAPs). Groups may choose which options they would like to elect for their plans in 2020 and in 2021. If you choose to make changes to your current plans, you'll need to complete the **COVID Plan Changes Form** to indicate your desired changes.

### General Notes

- For features that are available in multiple plan years, you may elect only the 2021 plan year and elect again at renewal for the following plan year.
- Form selections will be processed in Further systems on an ongoing basis.

### Carryover

- Groups will need an amendment for 2020 if they wish to carryover funds into the 2021 plan year.

### Grace Period

- Adopting the extended grace period will impact HSA eligibility.
  - » Groups may want to consider a carryover or implement a Limited Purpose FSA to preserve HSA (health spending account) eligibility.
- Employers electing the extended grace period should remind employees that amounts available in a DCAP grace period may incur additional personal income taxes.
  - » Additional personal income taxes would apply if the combined amount elected in the new plan year, plus the amount available from the prior plan year for the grace period, exceed \$5,000.

### FSA Spenddown

- Groups should note that selecting the FSA spenddown feature will lead to administrative fees for accounts in spenddown mode.
- This selection could also incur additional expenses if the employee contributions do not match the elected amount.

### Election Change

- Groups are advised to consider administrative “guardrails” to make administration of this provision efficient.
  - » Guardrail example: Placing a quantity limit on the employee elections.
  - » Guardrail example: Setting a time period in which elections can be made.
- Groups are able to select options for either DCAP, FSA or both.

### Request Amendment

- Groups who prepare plan documents internally, or with outside counsel, do not need to select this box.

**Questions?** Please contact your Further Representative or Group Services at 1-888-460-4013.

*This document has been prepared for informational purposes only, and is not intended to provide, nor should it be relied on for legal or accounting advice. You are advised to consult your advisor(s) on any legal or accounting matters.*