

COVID-19 Dependent Care & Healthcare FSA, HSA, HRA and Commuter Benefits Frequently Asked Questions (FAQs)

Dependent Care FSA:

Q: Can employees decrease their Dependent Care FSA election amount due to the COVID-19 pandemic?

A: Yes, the COVID pandemic does provide several reasons under the IRS guidelines that would allow an employee to decrease their original election amount. For example, the IRS allows an election change for:

- Reductions in hours
- Change in employment status
- FMLA leave
- Substantial change in employer benefits/cost
- Change of cost from the provider
- Change of provider resulting in change of cost

Q: An employee's child's school is closed due to the COVID-19, and the employee still must work, can they increase their Dependent Care FSA election?

A: Yes, if the child's being unable to attend school results in an increased childcare expense then an employee may increase their election amount.

Q: What happens to an employee's Dependent Care FSA account if they are laid off or terminated?

A: The now former employee would still be able to submit claims for expenses not previously submitted and incurred through their last day of employment. The former employee would have until the end of the employer defined terminated employee run out period to submit their submission and the former employee will only be reimbursed up to the amount that they have paid into year to date.

Healthcare FSA:

Q: Can employees not currently working due to the COVID-19 pandemic decrease their Healthcare FSA election amount?

A: Yes, the COVID pandemic does provide several reasons under the IRS guidelines that would allow an employee to decrease their original election amount. For example, the IRS allows an election change for:

- Reductions in hours that causes loss in coverage
- Change in employment status
- FMLA leave
- Substantial change in employer benefits/cost

Q: What happens to an employee's Healthcare FSA account if they are laid off or terminated?

A: The now former employee can still submit claims for expenses not previously submitted and incurred up to their termination date. The former employee would have until the end of the employer defined terminated employee run out period to submit their submission.

Q. If I go on COBRA, can I still use my FSA?

A. If you go on COBRA for your insurance, you are also able to go on COBRA for your FSA if you continue to pay into the FSA on a post-tax basis; however, you are not required to go on the FSA COBRA plan (they are two separate plans.)

Q. I have increased medical expenses due to the COVID-19, can I increase my FSA election amount?

A. Unfortunately, no, an increase in medical expenses does not qualify as a reason to increase your FSA election amount.

Q: How does the Coronavirus Aid, Relief and Economic Security (CARES) Act effect Healthcare FSA Accounts?

A: On Friday, March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As part of this legislation, section 3702 allows Healthcare FSA accounts to be used to purchase over-the-counter medical products, including those needed in quarantine and social distancing, and feminine hygiene products, without a prescription from a physician. This is a permanent change to the eligible expenses list, and includes retroactive purchases made after 12/31/2019. The updated list of eligible expenses will be ready on April 15, 2020 for OTC and feminine care products.

Q: Why is my debit card getting declined when I purchase a newly approved eligible expense item? What should I do?

A: Further now allows for these newly approved eligible expenses and we have made the updates. However, the mechanism that allows medical spending account debit cards to work is dependent on SIGIS, an organization that manages the global transaction approval system for eligible expenses. Until the national systems catch up with the new eligible expenses, members should manually submit for reimbursement from their accounts.

Q. My provider's office (e.g., dentist office) is currently closed due to COVID-19. Do I need to still provide documentation to substantiate my claim?

A. The IRS requires appropriate documentation for reimbursement from your health spending or savings account(s). However, given the circumstances surrounding COVID-19, you may want to contact our customer service department for assistance or any temporary changes or updates.

Health Savings Account (HSA):

Q. I am not working at this time due to the COVID-19, can I change my HSA election amount?

A. Yes, you can update your elections at any time with your employer, for any reason. You can also contribute directly to your HSA if payroll deduction is not an option. This will be an above the line tax deduction when you file your 2020 taxes.

Q. I heard there is an extension for filing federal income tax returns and making federal income tax payments. How does this affect my HSA?

A. Notice 2020-17 states that any person with a federal income tax payment or a federal income tax return due April 15, 2020 is eligible for relief on their federal income tax return payment. For an affected taxpayer, the due date for filing federal income tax returns and making federal income tax payments due April 15, 2020 has been automatically postponed to July 15, 2020. This relief grants all HSA account holders the option to make contributions to their 2019 HSA at any time up until the new deadline of July 15, 2020.

Q. Can I use telehealth services at no cost now due to COVID-19?

A. We encourage you to check with your health plan provider to see what coverage is.

Health Reimbursement Arrangement (HRA):

Q. What happens if I get laid off or terminated and my employer terminates my HRA?

A. You can still submit claims for expenses up to the termination date of the HRA, and you have until the claim's submission deadline set by your employer to submit them. If you go on COBRA for your insurance, your HRA will continue with it.

Commuter Benefits (TRA):

Q. How can I Opt-Out for specific months?

A. To opt out for specific months, log in to your commuter benefits account and locate your order on the dashboard. Under Options, click 'Edit Order'. Under the question, 'Are there any months you do not need this order?' select the month(s) you need to opt out. Note, you can also change your product to our prepaid card as an alternative product to your transit pass. Funds on the card do not expire and can be used at any time. Check with your HR Administrator to see if this option is available.

Q. Can I use parking funds for future services?

- If you chose a parking reimbursement, VISA card, or other election that allows carryover, you will be able to use those funds for future services.
- If you chose a voucher, pre-paid transit pass, or payment to be sent to a parking ramp, that will continue to process as usual.