Health Care Flexible Spending Accounts

Our company's FSA claims run-out period for our 2019 FSA plan is ending on 3/31/2020. I would like to extend it to give my employees more time to file claims…can I do this and how?

Yes, employers may extend their FSA claims run-out period by making a plan document amendment and communicating a change to eligible employees. Please note that extending the run-out period only gives participants additional time to file claims for medical expenses incurred during the 2019 plan year. Extending the run-out period does not allow to incur new medical expenses in 2020 and file claims retroactively against the 2019 plan year. Please reach out to us at *employerservices@naviabenefits.com* if you need assistance in making plan amendments.

Our company's FSA grace period just ended on 3/15/2020. Can I extend this so that employees can incur new medical expenses and file under our 2019 plan year?

No, currently under published IRS guidelines, the FSA grace period is a defined and fixed period of 2 ½ months following the close of the plan year. The IRS has not provided any additional guidance or changes to this policy since the onset of the COVID-19 crisis, but Navia is monitoring all regulatory updates and will provide updates if and as they are made available.

Can we change our 2020 plan so that employees can carry over more than $500 to the upcoming plan year?

No, currently under published IRS guidelines, the FSA carryover provision allows a maximum of $500 to be rolled over from the current plan year to the following plan year. The IRS has not provided any additional guidance or changes to this policy since the onset of the COVID-19 crisis, but Navia is monitoring all regulatory updates and will provide updates if and as they are made available.

We have employees who recently made elections in their FSAs for planned dental or surgical procedures, and the provider facilities where those procedures were to be performed are now closed or have canceled all non-essential care during the crisis. Can these employees change or cancel their election, or can we extend our plan year to accommodate these employees?

There are no current provisions in the FSA regulations that allow changes/reductions in annual elections due to the lack or unavailability of specific providers. Employers who have not previously adopted either the FSA grace period or carryover provision in their plans may want to consider this as a means of helping employees in these situations. Employees may also want to consider using their funds for other needed medical services during this time.

Day Care Flexible Spending Accounts

We have employees whose children will not be attending school for the remainder of the school year and now require day care. Many employees will be asking family members to watch their child while at work. Can they still participate in the DCFSA, and can they use their account to pay their family member?

Yes, employees in this situation can still participate in your DCFSA plan and pay their family member to provide care for their children. The family member providing care cannot be the employee's spouse and cannot be a dependent under the age of 19.

Are school and day care facility closures qualifying events that would allow participants to change their Day Care election, and how can I help them do this?

Yes, a change in day care provider is a qualifying status change event. Employers should make the appropriate deduction changes through their payroll provider and update the election with Navia through their normal data transfer processes (file feed, or the online through the Navia Employer Portal).

My daycare is closed and now I must enroll my child into a temporary pandemic daycare. Is this daycare center eligible and if so, can I change my dependent care election if need be?

Yes, daycare facilities established specifically in response to the COVID-19 crisis are eligible providers, and employees can make or change their DCFSA elections to pay for these services as described above.

My spouse is no longer working but he/she expects to go back to work soon. We don't want to lose our spot at the daycare and are still paying a fee to reserve our spot, can I still participate in the dependent care FSA?

Indirect childcare expenses (deposits, registration fees, etc.) are eligible for reimbursement under a DCFSA plan as a function of providing actual care to your children. In the context of the question, Navia interprets fees to hold spots in day care facilities where your child attends to be eligible expenses under this definition. Claims for indirect childcare expenses become eligible for reimbursement once the spouse goes back to work and childcare with the provider has resumed.

My spouse is now working from home and our kids are no longer in daycare. We are contributing an equal amount all year long into our dependent care FSA. We have already incurred $5,000 in dependent care expenses with dates of service incurred before the kids stopped going to daycare. Can I still participate in my employer's dependent care FSA and just send in claims from while they were still going to daycare?

Yes, you can claim and be reimbursed for eligible daycare expenses that have been incurred earlier in the plan year. You do not need to have children actively receiving childcare in order to submit claims for prior expenses.

Will an E-mail from a participant requesting a change in their DCFSA election suffice for documentation purposes?

Yes.

Will DCFSA participants who change their election be able to reinstate their original election later this year if school and/or day care facilities resume normal services?

Yes, as long as the reinstatement/change is consistent with their future use of eligible daycare services.

Health Savings Accounts

Our company has many employees who have active payroll contributions to their HSAs. Can they change their contributions if they are facing reduced hours or temporary leave?

Yes, employees can change future payroll contributions to Health Savings Accounts (HSAs) at any time. Note that employees must be eligible and enrolled in qualifying high-deductible health plan (HDHP) in order to contribute to their HSAs.

Can employees on unpaid leave continue to fund their HSAs through contributions from their own bank account?

Yes, provided that they remain enrolled in a qualified HDHP. In this circumstance, employees should be made aware that they will not get the pre-tax withholding benefits associated with payroll contributions while they are in a leave status.

What impact does the recently-announced deferral of the tax filing deadline to July 15th have on HSAs?

The Treasury Department and the IRS recently announced a deferral of the 2019 tax filing deadline to July 15th. With this announcement, the deadline to make contributions to your 2019 HSA have also been extended to July 15th. This also implies that Form 5498s for the 2019 tax year will not be made available until sometime after the filing deadline, likely in mid- to late August.

For a full list of questions and answers related to the IRS filing deadline extension, please click here: *https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-*

answers?_cldee=cHNocmlkZXJAdGFiZW4uY29t&recipientid=contact-1c2b4b51e8d4e51180eb3863bb368b18-f443a4ea25cc4149a3419e6114bdbb64&esid=e97b04b5-126e-ea11-a811-000d3a4df348