**EMPLOYERS: Please copy and paste the relevant sections of the email below to communicate the COVID Relief Bill changes to your employees. Amendments with a next to them are part of ASi/Navia’s recommended provisions, which were the default elections on** [***the form***](https://forms.office.com/Pages/ShareFormPage.aspx?id=uVzZS2GNtUGmO7C0il0GIOv466Pa3e5Bok92Qz4cW_VUNUQzTkIyTVpYQ0FBSzU5RThCNEJNRUNLRS4u&sharetoken=J6cec6VefwvTeo2XwHnK) **we provided.**

Hello,

The most recent COVID Relief Bill passed on December 27, 2020. To make it easier to use your health and dependent care FSAs during the pandemic, the bill offers important changes to your FSA benefits. The following changes are now in effect for your plan(s) through 2022:

****Healthcare Flexible Spending Accounts (FSA)counts (FSA)

**All unused FSA funds carryover through 2022**

You can carry over all unused amounts from 2020 to 2021 and from 2021 to 2022. The maximum carryover limit was $550 (some are at $500 still), but with the new relief bill, you can now carry over ALL your remaining health FSA funds. ASi is rolling over unused funds as we process each employer’s plan. You may still submit claims for 2020 up until your run-out period ends.

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**Make changes to your FSA without a qualifying status event (getting married, birth of a child, etc.)**

You can make a change in election amounts for plan years ending in 2021 without a change in status event. This means you can change your FSA election amount or sign up for an FSA outside of your open enrollment period.

**12 months to incur and claim expenses (extended grace period)**

You have 12 months after your plan year ends to incur medical costs and submit claims for your health FSA. This extension is valid for plan years ending in 2020 and 2021. This means any medical expenses incurred in 2021 can be applied to your 2020 FSA, and expenses incurred in 2022 can be applied to your 2021 FSA. It gives you 12 months instead of the usual 2.5 months to incur expenses and claim your FSA dollars.

****Dependent Care Flexible Spending Accounts (FSA)

**NEW! All unused FSA funds carryover through 2022**

You can carry over all unused amounts from 2020 to 2021 and from 2021 to 2022. This is the first time carryover has been available for dependent care FSAs. ASi is rolling over unused funds as we process each employer’s plan. You may still submit claims for 2020 up until your run-out period ends.

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**Make changes to your FSA without a qualifying status events (getting married, birth of a child, etc.)**

You can make a change in election amounts for plan years ending in 2021 without a change in status event. This means you can change your FSA election amount or sign-up for an FSA outside of your open enrollment period.

**12 months to incur and claim expenses (extended grace period)**

You have 12 months after your plan year ends to incur medical costs and submit claims for your health FSA. This extension is valid for plan years ending in 2020 and 2021. This means any expenses incurred in 2021 can be applied to your 2020 FSA, and expenses incurred in 2022 can be applied to your 2021 FSA. It gives you 12 months instead of the usual 2.5 months to incur expenses and claim your FSA dollars.

**Increase in eligibility age for dependent care**

The age for eligible dependents can be increased from 12 to 13 for the 2020 plan year. Expenses for children that turned 13 during the 2020 plan year can be reimbursed if your Open Enrollment period ended on or before 1/31/20.

Allowances for Terminated Employees

**Spend down your Healthcare FSA balances after termination.**

Healthcare FSA participants who terminate their employment during the 2020 or 2021 plan year can spend down their unused balances for expenses incurred through the end of the plan year in which you termed employment.