**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 Navia’s recommended provisions, which were the default elections on** [***the form***](https://forms.office.com/Pages/ResponsePage.aspx?id=uVzZS2GNtUGmO7C0il0GIOv466Pa3e5Bok92Qz4cW_VUMElLMUJSTThXN0MzTTYxNFRNTUNVUDhEUS4u) **we provided. If you haven’t filled out the form, make sure you do so before you use this document because we need to know what changes you want to adopt.**

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, but with the new relief bill, you can now carry over ALL your remaining health FSA funds. 25 days after your plan year ends, all your remaining funds will be carried over for use in your 2021 health FSA. 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.

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**Terminated employees can still access FSA funds**

Prior to the passing of the 2021 stimulus bill, you would have lost access to your unused health FSA funds on your last day of employment. You can now still claim your unused funds in your health FSA even if your employment status changes in 2020 or 2021. You can also continue to spend money on eligible healthcare items and get reimbursed from your health FSA up to the amount you contributed.

**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 to 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 through2022**

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. 25 days after the plan year ends, ALL your remaining funds will be carried over for use in your 2021 dependent care FSA. 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 dependent care costs and submit claims to your FSA. This extension is valid for plan years ending in 2020 and 2021. This means any dependent care 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.