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BULLETIN

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TEMPORARY BENEFIT PLAN CHANGES (COVID-19)



Through provisions of the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief and Economic Security Act (CARES Act), company benefit plans are experiencing temporary changes geared towards a more employee-friendly offering.

Medical Plan Coverage: UnitedHealthcare - the nation's largest insurance company - and other large insurers are waiving cost sharing and copays for coronavirus disease 2019 (COVID-19) treatments. While each company differs in how long the waivers will be in place and what other costs will be waived, these announcements are part of a cross-country effort to help individuals access affordable care during the COVID-19 pandemic.

HDHPs and HSAs: Allows telehealth and other remote care services to be covered under a high deductible health plan (HDHP) before the deductible is met, without affecting the HDHP's compatibility with health savings accounts (HSAs).

OTC Eligibility: Over-the-counter (OTC) medications, along with menstrual care products, will be qualified as medical expenses that may be paid for using HSAs or other tax-advantaged arrangements, such as health flexible spending accounts (FSAs) or health reimbursement arrangements (HRAs).

Student Loans: Employers are allowed to reimburse employees up to \$5,250 for most student loan payments with the amount excluded from taxable income. This is through an expansion of tax code Section 127, which already allowed employers to contribute, tax-free, for tuition assistance. Through the end of 2020, it becomes the combined limit for loan repayment assistance or other education-assistance payments employees receive.

401(k) Plans: Provisions that are optional and may be adopted by the plan at the discretion of the plan sponsor/fiduciary include:

- Coronavirus related distributions are allowed penalty-free and can be repaid;
- Temporary maximum loan amounts may be increased up to \$100,000;
- Loan repayment periods may be extended by one year; and
- Required minimum distributions may be suspended.

Stay up-to-date with the latest material on our coronavirus web page - dedicated to sharing information about COVID-19 and how it relates to the workplace: <https://www.employco.com/coronavirus>

We will continue to monitor the situation and provide updates throughout the process. We hope you and your family and friends are healthy.

Please [contact us](#) if you have any questions.



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Questions, comments, feedback?

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