

## IMPORTANT INFORMATION YOU NEED TO KNOW:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law as of March 27, 2020, contains important provisions that will affect **Health Care Flexible Spending Accounts (Health FSAs)**. Also, under existing rules, certain changes in your situation may allow you to increase or decrease contributions, or cancel your **Dependent Care Reimbursement Account (DCRA)**.

### Your PEEHIP Health FSA

Under the CARES Act, you can now pay for or receive reimbursement for:

- Over-the-counter drugs and medicines *without* a doctor's prescription.
- Menstrual care products (now considered a qualified medical expense) through an FSA. All expenses incurred after December 31, 2019, qualify, and the provision has no expiration date.

PEEHIP and HealthEquity are working to update health care plan eligible expense lists as appropriate.

### Your PEEHIP Dependent Care DCRA

Here are a few situations that have arisen due to the COVID-19 pandemic that may affect your Dependent Care DCRA.

Scenario A: Your child's daycare closes causing a loss of care and a loss of care expenses. This is a significant reduction or elimination in your annual cost of care. Because your care expenses have decreased, you may decrease your election or stop participating in the plan.

Scenario B: You are now working from home and can keep your children home instead of going to daycare. This is a significant reduction or elimination in your cost of care. Because your care expenses have decreased, you may decrease your election or stop participating in the plan.

Keep in mind, you must request the change to your Dependent Care DCRA within 45 days of the status change occurring. If you opt to stop participating in the plan, you may only be reimbursed for expenses from October 1 (or your start date) through the date you stop participating. You may not be able to use the money you've already contributed. It may be safer to reduce your contribution to the amount you've contributed year-to-date. This means you can use the funds you've already contributed through the end of the year.

All requests to cancel or change the annual elected amount of your Dependent Care DCRA must be submitted on the PEEHIP Flexible Spending Account Status Change application and accompanied with the proper supporting documentation such as a letter from your daycare facility or letter of termination or layoff from your employer. In deciding whether to cancel or change the amount, you should be mindful that a DCRA is a "use it or lose it" account. Funds

must be used by the end of the plan year, September 30, 2020, or the requested effective cancellation date – whichever comes first. Request for reimbursement must be submitted by January 15, 2021, or within 105 days of the requested cancellation date. No refunds will be issued on unreimbursed funds. Remaining Dependent Care DCRA funds will be forfeited.