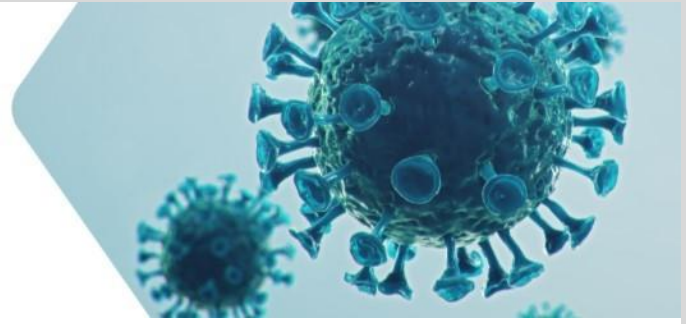




# KNOW YOUR BENEFITS



## COVID-19 Impact Flexible Spending Accounts (FSA) Dependent Care and Commuter Expenses

Already existing within the rules of the Dependent Care Flexible Spending Account and the Commuter Flexible Spending Accounts are provisions that allow employees to change their elections. If you are an employee enrolled in either of these accounts and are impacted by your child's daycare closing, working from home, a spouse working from home or no longer incurring commuter expenses, please read below.

### Dependent Care FSA

If you are experiencing any of the below situations, you have experienced a "Qualifying Event" that allows you to change your election in your Dependent Care FSA.

- Your child's daycare is closed
- You or your spouse are working from home and no longer require daycare
- You or your spouse are no longer working due to reduced hours

You generally will have 30 days from the date of the Qualifying Event to make the change. Please refer to your summary plan description for specific deadlines that apply.

#### Can I still access the money remaining in my account?

Yes, you can continue to access any remaining funds in your Dependent Care Account for the remainder of your company's plan year. Please refer to your summary plan description for specific requirements.

#### What happens when I return to the office or daycare reopens?

Fortunately, either scenario creates another Qualifying Event that will allow you to restart your contribution to your Dependent Care FSA. You can choose to restart your same monthly contribution, or you can adjust your monthly contribution to make up for any contributions missed while you were not using daycare for your children.

#### Will this reduce the amount I can contribute for the year?

No, each household still has a \$5,000 maximum annual election amount. If you suspend, reduce or eliminate your contribution during this down time, you can adjust your election when your child returns to daycare to maximize the full \$5,000 IRS allowance.

#### What if I don't want to change my election?

No problem. You can continue to contribute to your Dependent Care FSA even if you are working from home and your children are not in daycare. You could then use the funds on deposit in your Dependent Care FSA when your children return to daycare.

### **What if I still have access to daycare?**

If you and your spouse are still gainfully employed and you have access to daycare, you can continue to use your account even if you are working remote.

### **Commuter Expenses**

Because contributions for parking and transit expenses under a Code Section 132 transportation fringe benefit plan can be changed on a month by month basis, there are no restrictions on employee's decreasing or stopping their commuter deductions. You can make changes to this account at any time, without any need for a Qualifying Event. Please refer to your plan document for further information.

### **If I'm no longer commuting, am I required to stop my deduction?**

No, however, we strongly recommend you do as you may lose access to amounts that you contribute. The IRS rules not only restrict how much you can deposit into these accounts monthly, but they restrict how much you can spend out of these accounts monthly. The current IRS limit for both is \$270. If you continue to have the maximum deposited into your commuter account while you are not commuting and a high balance builds, you are still restricted to spending only \$270 per month.

Want to make a change?

Contact the Human Resources Department and/or make any permissible changes online.

*Disclaimer: Burnham Benefits does not engage in the practice of law and this document should not be constructed as the providing of legal advice or a legal opinion of any kind. The consulting advice we provide is intended solely to assist in assessing compliance with applicable federal and state law requirements and is based on Burnham Benefits' interpretation of federal guidance in effect as of the date of presented. To the best of our knowledge, the information provided herein, and assumptions relied on, are reasonable and accurate as of the date of this document. Furthermore, to ensure compliance with IRS Circular 230, any tax advice contained in this document is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the United States Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.*

*Due to the dynamic information in response to Covid-19, legislation may change and we will update you accordingly.*



Learn more at [www.burnhambenefits.com/covid-19](http://www.burnhambenefits.com/covid-19)