

Pandemic Relief *for* Group Health Plans with Core COVID-19

We're in this together

From essential workers putting in more hours than ever before, to parents working from home for the first time with children out of school, to retail team members being out of work altogether, the COVID-19 pandemic crisis has affected almost every American.

Since these changes in employment can have a big impact on how employees use their group benefits, companies have asked for relief from the departments of Health and Human Services, Labor, and Treasury to allow mid-year election changes for employees on their group health plan options and health and dependent flexible spending arrangement contributions.

The Departments responded with IRS Notice 2020-29 & 2020-33 and the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Consolidated Appropriations Act, 2021 (Dec. 27, 2020) and IRS Notice 2021-15 (Feb 18, 2021) Guidance under Section 125 Cafeteria Plans.

The guidance intends to provide tax relief through increased flexibility for taxpayers through employer-sponsored group health and FSA plans by allowing employers to permit mid-year election changes usually available only to employees experiencing a qualifying life event, such as a birth, marriage, or loss of employment.

Essentially, the Departments are making a one-time COVID-19 emergency qualifying life event for everyone, at the employer's option.

NEW Core COVID-19 Plan Amendment

Employers can easily add new provisions to an existing Section 125 plan document with the all-inclusive Core COVID-19 plan amendment package. For a low, one-time fee, Core Documents provides everything an employer needs to amend their plan with these new provisions.

And, for the first time ever, Core Documents is making the package available to all employers, even if your original plan document is not with us.

Options available to employers

According to the new guidance, an employer may amend a Section 125 Cafeteria Plan to permit employees to make a mid-year election as follows.

Group health insurance

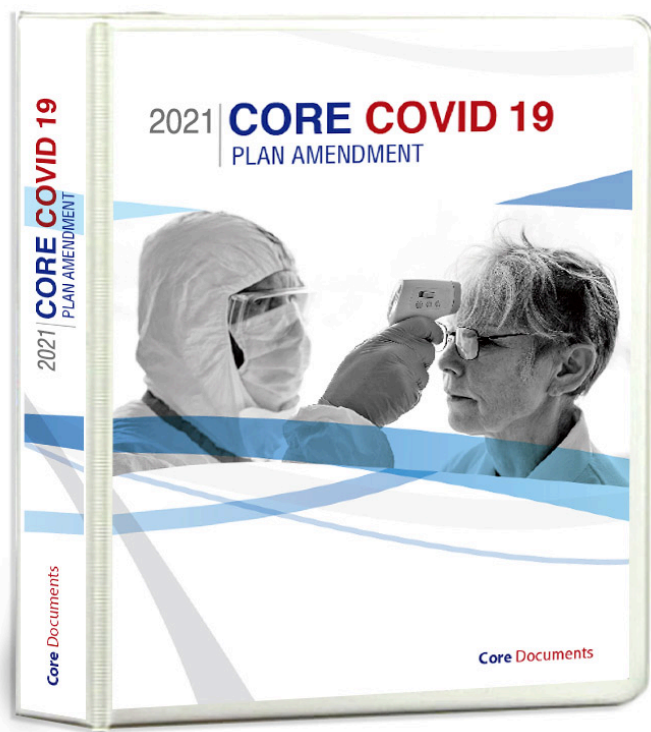
- Enroll or decline coverage for the balance of the year;
- Improve or decrease coverage type and amount;
- Change coverage type (self-only vs. family).

Health or dependent care FSA

- Enroll in or exit from an FSA;
- Increase or decrease contributions.

Expanded FSA carryover

Sponsors may also choose to allow an expanded grace period of unused 2020 & 2021 FSA balances to cover eligible expenses for health or dependent care FSAs, respectively, incurred in the 2021 & 2022 calendar years.



More COVID-19 relief

The Coronavirus Aid, Relief, and Economic Security (CARES) Act includes additional taxpayer relief by repealing the so-called 'medicine cabinet tax' imposed by the Affordable Care Act, and adding a new category of over-the-counter (OTC) products that can be reimbursed through FSAs, HSAs, and HRAs.

OTC items without a prescription

Eligible medical expenses (see IRS Publication 502) will now be reimbursed without requiring a doctor's prescription. Items in this group include cough & cold relief products and pain relief medications.

New items covered

Also under the new coverage rules for FSAs, HSAs, and HRAs, is the inclusion of menstrual care products, such as, "tampon, pad, liner, cup, sponge, or similar product used by individuals with respect to menstruation"

FSA carryover up to 100% of unused balances

In IRS Notice 2020-33 & 2021-15 the Departments announced that FSA carryover of unused amounts can be up to 100%, limited to \$550 or 2.5 months. Terminated employees can have up to 12 months to spend down unused balances.

Sponsors wanting to amend a Section 125 FSA to reflect the new carryover can add this provision to a Core COVID-19 Plan Amendment package.

Trusted Source for Affordable Benefit Plan Documents for over 20 Years.

Core Documents is the country's leading provider of cost-effective, tax-saving benefit plan documents for Section 125 Cafeteria plans and Health Reimbursement Arrangements (HRA).

The Trusted Source since 1997, thousands of satisfied plan sponsors, agents and employer groups nationwide rely upon Core Documents for free plan design consulting services, plan document updates, ERISA Wrap SPDs, and administration services for tax-advantaged plans, including:

- Section 125 Premium Only Plans (POP),
- Health Flexible Spending Account (FSA) Plans,
- Dependent Care Assistance FSA Plans,
- Individual Coverage HRAs,
- Small business HRAs,
- Section 105 HRA Plans for the self-employed,
- Excepted Benefit HRAs,
- Deductible Gap HRA Plans,
- Section 132 Transit & Parking Plans,
- ERISA Wrap SPD Documents – ACA required, and
- FSA and HRA online administration services.

Visit us online today

Order your Core COVID-19 Plan Amendment package today at www.coredocuments.com/covid19.

To see all of our products and services, visit us at www.coredocuments.com.

Ordering Information Worksheet

This form is provided for your convenience while gathering information for the Core Covid-19 plan amendment package. It is a fillable PDF form. Click on the line next to "First Name" to begin and then tab from field to field.

[When the form is complete, go to www.CoreCovid19.com to order online.](http://www.CoreCovid19.com)

Purchaser Information (Person buying document for Employer listed below, i.e. Agent, CPA, payroll co., etc.; "N/A" in "First Name" if not applicable.)

First Name _____ Last Name _____
 Company _____
 Address _____
 City _____ State _____ Zip Code _____
 Phone _____ Mobile _____ Fax _____
 Email _____ Web site _____
 Ship Plan Document package to: ☐ Purchaser ☐ Employer

Employer Information for Plan Documents

(Owner/controller, document signer; exactly as it should appear in the plan document.)

First Name _____ Last Name _____
 Company _____
 Address _____
 City _____ State _____ Zip Code _____
 Phone _____ Mobile _____ Fax _____
 Email _____ Web site _____

Form of Business: ☐ S Corporation ☐ C Corporation ☐ LLC ☐ Partnership
☐ Sole Proprietorship ☐ Government ☐ Non-Profit 501(c)(3)

Employer Fed. ID # _____ **State of Incorporation** _____ **No. of Employees** _____
Legal Name(s) of Affiliated Company(ies) that will be covered by the Plan (if any):

- 1) _____
- 2) _____
- 3) _____

Plan Administrator

☐ Employer (use 'employer' information, above) ☐ Other (provide information below)

First Name _____ Last Name _____
 Company _____
 Address _____
 City _____ State _____ Zip Code _____
 Phone _____ Email _____

COVID 19 Plan Amendment

COVID 19 plan amendment effective date: _____, 2020 2021

COVID 19 mid-year election change limit: _____ 1 per year, or other: _____

Require mid-year elections to Group Health Insurance must improve or increase coverage? Yes No

Require mid-year elections to Group Supplemental Insurance must improve or increase coverage? Yes No

Require mid-year elections to FSAs must be no less than amounts already paid by employer? Yes No

Provide Extended Claims Period option for FSAs to reimburse expenses incurred through December 31, 2021, to
 (select all that apply): _____ Health FSA _____ DCAP FSA _____ Limited purpose health FSA _____ N/A

FSA Carryover Options for 2021: \$550 unused funds OR 2.5 extra months 100% Carryover

FSA unused balance after termination can be spent down until: End of Plan Year OR 12 Months

Please tell us how you found Core Documents: ☐ Search Engine ☐ Agent ☐ Google Ad ☐ Other _____

Ordering Information Worksheet

Employer: _____

Do you want your Core 125 package in the Deluxe Binder version or the Basic PDF Option?

☐

Deluxe Binder – New Core COVID-19 Plan Amendment

\$149.00

☐

In email PDF version processed ASAP, AND Printed in 3-ring binder, with
5 Section tabbed index, shipped via Priority Mail.

OR

☐

Basic PDF Option - New Core COVID-19 Plan Amendment

\$99.00

☐

PDF Document Processed Quickly and Sent Via E-Mail



Add any additional information for plan amendment preparation here:

Employer: _____

If paying by check, please complete the following:

Your order can be processed with a copy of the original check attached to the order made out to Core Documents, Inc., with amount to be charged, **OR** simply provide the following information and authorization.

Name as it appears on check: _____

Bank Name: _____

Bank Routing Number: _____

Bank Account Number: _____

Total amount to be charged: \$ _____

X _____
Signature

Sample Check



The routing and account numbers may be in different places on your check.

Date: _____



If paying by credit card, please complete the following:

Card Type: Discover VISA MasterCard American Express

Card Number: _____

Expiration Date: ____ / ____

3 Digit Security Code on back: _____
(4 digit on American Express front)

Total amount to be charged: \$ _____

Name as it appears on card: _____

X _____
Signature

Security Code



Refund Policy: Purchaser understands that goods and services provided by Core Documents, Inc. are non-refundable. Orders cancelled prior to sending/shipping are subject to cancellation fees applied to the cost of goods and services provided during the review, draft, and preparation of your order.

Please sign and fax completed form to (941)795-4802. Attach additional pages of plan design information if needed.

Mail: Core Documents, Inc. P.O. Box 14538, Bradenton, FL 34280

Scan and Email: CoreService@CoreDocuments.com

Toll Free Voice: 888-755-3373 Fax: 941-795-4802