

## Administrative Concerns of COVID-19

On May 12<sup>th</sup>, 2020 the IRS released guidance, [Notice 2020-29](#) to allow temporary changes to Section 125 Cafeteria Plans to assist with the response to the COVID-19 outbreak. The notice provides employers with the following options:

- Allow consumers to make prospective mid-year election changes to their 2020 employer sponsored health coverage, Health FSA and Dependent Care FSA. Updates to participant elections can be done via the [employer portal](#).
- Allows employers to amend their Health Care FSA/Dependent Care FSA Grace Period (two months and 15 day extension) that end in 2020, to allow unused funds to be reimburse expenses incurred through December 31, 2020. If you choose to extend this timeframe, please contact your Customer Support Representative or email [FBAMail@infinisource.com](mailto:FBAMail@infinisource.com) to have your account updated. A Summary of Material Modification will be provided for the extension at the time of the change.

The IRS also released Notice [Notice 2020-33](#), which increases the amount of funds that can be carried over in the Health FSA plans from \$500.00 to \$550.00. The increase applies to 2020 plan years starting in 2020 that will roll into 2021.

- Infinisource will provide a Summary of Material Modification to all employers who currently allow the \$500.00 carryover and we will update our system accordingly. If you choose to opt out of this update please notify your Customer Service Representative or email [FBAMail@infinisource.com](mailto:FBAMail@infinisource.com).