

**From the City of Tacoma Emergency Management Newsletter dated 10/8/2020
For City of Tacoma government employees only**

**Temporary COVID-19 Mid-Year Election and Benefit Changes Notice for the
Flexible Spending Account Benefit**

The IRS issued two notices, Notice 2020-29 and Notice 2020-33, that affect Benefit elections and Flexible Spending Accounts (FSAs) due to the impact of COVID-19 that are temporary and only apply for 2020. Under this guidance, the City of Tacoma may adopt some, all, or none of these election changes. After careful consideration, the City is pleased to extend the following temporary mid-year election changes, which fall into four categories:

1. Allow employees to make prospective mid-year elections and election changes related to **Health Care FSAs** during calendar year 2020, without a qualifying life event; and
2. Allow employees to make prospective mid-year elections and election changes related to **Dependent care FSAs** during calendar year 2020, without a qualifying life event; and
3. Extend **Health Care FSA** Grace Period to 12/31/2020 (previously, 2019 Health FSA elections could be spent through 03/15/2020 with claims incurred in 2020); and
4. Add **Dependent Care FSA** Grace Period to 12/31/2020 (previously, 2019 Dependent Care FSA did not have a Grace Period and elections had to be spent by 12/31/2019).

****Please Note:** Items #3 and #4 will be automatically implemented for the City of Tacoma Flexible Spending Plan. If an employee had funds left over from their Health or Dependent Care FSA for 2019, any claims submitted in 2020 will be reprocessed and/or applied to those funds first to avoid forfeiture of those 2019 funds.