

June 2020
Outbreak Period Benefit Rules
Notice to Eligible Employees



Payroll Plus Corporation
Transport Leasing/Contract, Inc.
The Labor Source, Inc.

During the unprecedented Outbreak Period/National Emergency brought about by the COVID-19 pandemic, many employer-sponsored benefit plan rules are extended or relaxed. The “Outbreak Period” began on March 1st and will end 60 days after the National Emergency end date (not yet determined). Below is an overview of how this may impact employees eligible for TLC Benefits.

Extensions of Time for Payments, Claims and Benefit Election Changes:

- **Eligible 2019 Flex/FSA healthcare claims can still be submitted until 30 days after the end of the Outbreak Period.** Eligible claims must still have been incurred during the 2019 plan year (1/1/2019—12/31/2020).
- **Special enrollment periods are extended.** A special enrollment period is the 30 day window of time when you can normally make benefit election changes after you experience a qualifying status change event. During the Outbreak Period, you can enroll anytime after a qualifying event. Qualifying events include marriage, divorce, birth, adoption, loss of other group coverage, and new eligibility/enrollment in a spouse’s employer’s plan.
- **Mid-year pre-tax election changes are allowed during the Outbreak Period**, even without a change in status or other IRS-recognized special enrollment event. Note that allowing mid-year pre-tax election changes during the Outbreak Period is optional for employers. TLC has chosen to allow it for TLC-sponsored group plans; clients who sponsor their own group plans may decide otherwise. Election changes are prospective only, and should be consistent with a COVID-related reason such as reduction in pay, unexpected COVID expenses, elective procedures cancelled, etc. TLC-sponsored group plans will allow these benefit election changes:
 - Making a new health, dental or vision coverage election if coverage was initially declined;
 - Switching health plan selections;
 - Revoking a current health coverage election (subject to employee attestation of enrollment in other health coverage);
 - Making, revoking, decreasing or increasing health and dependent care FSA elections (reductions are limited to the greater of (a) contributions already made or (b) reimbursements received).
- **COBRA enrollees have extra time to make payments**, up to 30 days after the end of the Outbreak Period.
- **Extra time is allowed on all ERISA plans for filing claims and appeals**, through the Outbreak Period.

FSA Over-the-Counter Medications and Retirement Plans:

- **Over-the-Counter (OTC) medications are now allowed as eligible FSA healthcare expenses without a prescription.**
- **Retirement plan (401k) participants are allowed to take larger volume loans**, for COVID-related reasons.
- **Retirement plan hardship distribution rules are relaxed**, for participants or certain family members who are adversely affected by the COVID-19 outbreak.

Effective Dates: Election changes allowed under these relaxed rules are prospective only; i.e., the change effective date is the 1st of the next month after TLC receives notification. If the event is birth of a child, coverage for the child is effective on the date of birth. **Example #1:** Employee declines benefits during open enrollment but enrolls for COVID-related reason on July 15th; coverage is effective August 1st. **Example #2:** Employee gets married March 30th and notifies TLC on June 20th; new spouse coverage is effective July 1st.

Please contact TLC Benefits if you have questions, at 800-825-3832 or TLCBenefits@TLCCompanies.com.