

Clarity Benefit Solutions Broker Update

Valued Partner,

In response to the COVID-19 emergency, the Department of Labor and Department of Treasury jointly issued a [final rule](#) providing temporary extensions of certain Group Health Plans, COBRA and FSA/HRA deadlines.

This means that some timeframes under COBRA and ERISA (including FSAs and HRAs) are suspended for the “Outbreak Period.”

The “Outbreak Period” commenced **March 1, 2020** and will continue until **60 days after** the National Emergency is officially declared over. In addition, the IRS has authorized certain optional changes for cafeteria plans and FSAs. These changes and options are effective immediately.

What Does this Mean for Participants?

COBRA:

- Extends the time to elect COBRA coverage under a health plan
- Extends the time to pay for COBRA continuation coverage
- Extends the time to notify a health plan of a COBRA qualifying event or disability

FSA/HRA:

- Extends the time to submit claims for benefits, including the run-out period for FSA, HRA plans and, optionally, dependent care assistance programs. This also applies to any ERISA covered plan
- Optionally expands the ability to make mid-year elections and changes for health plan coverage, health FSAs and dependent care assistance programs through December 31, 2020
- Optionally allows employers to implement or extend a Grace Period enabling participants

Save The Date!

**Wednesday, May 20th at
2:00 p.m. EST**

**Keep an eye out next week
for your invitation to our
[Webinar](#) on this topic.**

We know there is a lot of uncertainty around these rule changes. We want to provide you some Clarity.

During this webinar:

- Attorney **Scott Wold** will provide an in-depth review of the new COBRA and health plan continuation rules.
- Clarity will provide an update on how we will assist clients through these new rules
- And, time for Q&A will be provided

Scott Wold is an attorney with Hitesman & Wold. He has practiced law in the areas of employee benefits since 2004. Scott advises clients in areas of employee benefits including: IRS Code, ERISA, ACA, COBRA, HIPAA, FMLA, and state insurance Compliance; as well as employee welfare plans (medical and dental plans, disability plans, life insurance, voluntary employee beneficiary associations, medical reimbursement plans, transportation plans, and cafeteria plans)

to incur FSA and/or dependent care assistance program expenses through December 31, 2020. If a plan includes a Carry-Over provision a Grace Period can be added for 2020 (*Note: extending a Grace Period under a full scope FSA may impact HSA eligibility during 2020*)

- Optionally increases health FSA rollover amounts from a plan year starting in 2020 to \$550

Additional Notes:

- Extends HIPAA special health plan enrollment periods
- Extends deadline to make appeals under FSA/HRA and all ERISA covered plans

What Does this Mean for Your Clients?

- COBRA, FSA and HRA plans are now required to incorporate the mandatory regulations
- Clients will need to notify Clarity if they wish to implement optional plan changes. Clarity will provide instructions shortly on how this can be done effectively and easily
- Clients should provide supplemental notices of COBRA continuation coverage; Clarity will provide this service for your clients
- Clarity will be issuing further guidance relative to retroactive processing and potential payment of previously denied claims due to expiration of the run-out period

Clarity Has You Covered

The changes to these deadlines constitute a significant change to the manner in which Clarity COBRA, FSA and HRA plans operate. We are making efforts to incorporate the new deadlines and policies into our practices.

As always, thank you for giving us the opportunity to be your benefits provider. In these uncertain times we hope to provide you the Clarity you need.

Thank you,
Bill Catuzzi

Stay Connected.

For more Clarity updates, connect with us on social media.

