

**Coronavirus Aid, Relief, and Economic Security (CARES) Act Impact for Flexible Benefits**  
**October 7, 2020**

**Overview**

The Internal Revenue Service (IRS) and US Department of Labor (USDOL) announced relief provisions to provide flexibility to plan participants during the COVID-19 “Outbreak Period,” defined as the period beginning March 1, 2020, and ending sixty (60) days after the yet to be announced, end of the National Emergency. The Georgia Department of Administrative Services (DOAS) has determined that providing relief is an option for the State's Flexible Benefits program. The options below are available to employees participating in the Flexible Benefits program and former employees participating as beneficiaries in the Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage that experienced hardship due to COVID-19.

The relief provided by the US Department of Labor (DOL) and Internal Revenue Service (IRS) joint guidance includes flexibility to exercise the Health Insurance Portability and Accountability Act (HIPAA) special enrollment rights, extend deadlines for participants to elect COBRA coverage, pay COBRA premiums, and notify employers of COBRA qualifying events. The guidance also extended deadlines for plan administrators to provide COBRA election notices. The Final Rule became effective on May 4, 2020.

The IRS provided additional, optional flexibility to allow for mid-year enrollment changes outside of the defined qualified status changes (e.g., marriage, divorce, etc.) for the Flexible Spending Account (FSA) – Health Care (FSA-HC) and the Flexible Spending Account – Dependent Care (FSA-DC) plans. The FSA changes required an amendment to the [Summary Plan Description](#), which is posted at [www.doas.ga.gov](http://www.doas.ga.gov) > Human Resources Administration > Employee Benefits Information > Flexible Benefits > Flexible Benefits Resources > Summary Plan Descriptions > Flexible Spending Accounts.

The Flexible Benefits Program changes and impacts are summarized below.

**Flexible Benefits Program Impacts**

1. HIPAA Special Enrollment Rights

- If the effective date of a Qualifying Life Event (QLE) falls within 30-days before March 1, 2020, except for Birth and Adoption, which is within 90-days before March 1 (the start of the Outbreak Period), then GaBreeze would process the change. Any QLE that falls before these timeframes would follow the conventional QLE rules. The HIPAA special enrollment rights apply to all Flexible Benefits plans.

2. Extension for Notification of COBRA Qualifying Event

- COBRA Qualifying Event notifications have extended to 60-days after the end of the Outbreak Period. Note that the end of the Outbreak Period is not yet defined (as it is the end of the declared National Emergency).
- The extension also impacts the 11-month coverage extension due to disability as deemed by the Social Security Administration.

3. Extension of the COBRA Coverage Election Window

- Pre-COVID-19 relief, beneficiaries had 60-days from the latter of the COBRA qualifying event date or COBRA enrollment notification date to enroll in COBRA. The disaster relief provides an extension for eligible beneficiaries to enroll in COBRA for Flexible Benefits Dental and Vision

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insurance. Due to the COVID-19 Relief, the deadline for the new enrollment period now extends until the Outbreak Period ends (which has not yet occurred or announced).

#### 4. Extension of Payment Deadlines for COBRA Premiums

- Under conventional rules, qualified beneficiaries had 45-days from their COBRA enrollment date to make their first payment. They had 30 days, in the form of a grace period, to make subsequent payments. The disaster relief provides a 60-day extension after the Outbreak period ends to enroll in COBRA. The payment deadlines are disregarded during the entire Outbreak Period for beneficiaries in determining the new payment deadlines.
- During the Outbreak Period effective March 1, 2020, if a beneficiary lost COBRA coverage due to non-payment, she/he can be reinstated for dental and vision insurance to make payments.
- When a beneficiary misses making a monthly payment, then Dental and Vision claims would be denied by the vendors. After the beneficiary pays the monthly payments, the vendors will retroactively process and pay eligible claims.

#### 5. FSA Plan Flexibility

- Notice 2020-29 allows mid-year changes during 2020 for the FSA-HC and FSA-DC without participants experiencing a qualified status change. Participants may elect coverage, change to another plan coverage option, or revoke a coverage election without experiencing a QLE for FSA-HC and FSA-DC.

### **Employee Communication**

Please ask your impacted employees to read the details about the Flexible Benefits changes COVID-19 Response at the DOAS Website in the HRA FAQ section. Link: <http://doas.ga.gov/human-resources-administration/human-resources-administration-covid-19-response>.

Eligible participants should contact GaBreeze if they wish to take advantage of the COVID-19 Relief provisions available to them: 1-877-342-7339 (toll-free, Monday – Friday, 8:00 am – 5:00 pm, Eastern time).

If you have any questions about the provisions outlined in this communication, please send an email to [hra.flexbenefits@doas.ga.gov](mailto:hra.flexbenefits@doas.ga.gov).