



Important Information About Your NCFlex Benefits

The University of North Carolina System offers benefits provided through the NCFlex state insurance plans to eligible employees. In response to the COVID-19 pandemic, the federal government issued new regulations that affect several of the benefit plans offered by NCFlex. These changes include making mid-year updates to Flexible Spending Accounts (FSAs) and dental and vision coverage without experiencing a qualifying life event, as well as extending the time to submit claims for certain benefits.

This communication explains what these changes mean to you and your 2020 benefits coverage.

HEALTH CARE AND DEPENDENT DAY CARE FSAS

FSAs help you save money on taxes by paying for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. You never pay taxes on the dollars you set aside in an FSA, which helps you save money.

The **Health Care FSA** allows you to set aside money to pay for eligible medical, prescription drug, dental and vision expenses. And, new legislation retroactive to January 1, 2020, allows you to use FSA funds to purchase over-the-counter (OTC) drugs, medicines and medical products without a doctor's prescription. This includes pain relievers, cold medicines, bandages and more.

The **Dependent Day Care FSA** allows you to set aside money to pay for eligible child care or dependent care facilities, or services in your home or someone else's home while you or your spouse are working, looking for work or attending school full time.

Because of the pandemic—and the unanticipated changes in the availability of certain medical care and dependent day care—rules governing the use of FSAs are updated as follows:

- If you are currently not participating in the Health Care and/or Dependent Day Care FSA in 2020, **you may elect to participate in either FSA now through the end of the year without experiencing a qualifying life event.** If you decide to enroll in an FSA for 2020, you will be able to submit eligible claims that you incurred since January 1, 2020.
- If you are currently participating in a Health Care and/or Dependent Day Care FSA, **you may increase, decrease or cancel your 2020 FSA election.** If you cancel or decrease your FSA contributions, you can only reduce your contribution amount to the amount you have been reimbursed and/or contributed to the account to date. If you choose to increase your contribution amount, you will be able to submit eligible claims you incurred since January 1, 2020.
- If you decide to make a change to your FSA participation as a result of COVID-19, **you are limited to only one change per FSA for the remainder of the year.** This means if you decide to increase your Health Care FSA election now, you will not be able to decrease or cancel your election later in the year.
- **If you have funds left in your 2020 Health Care FSA on December 31, 2020, you now will be allowed to roll over \$550 into the next plan year,** if you have a minimum balance of at least \$25. Any funds exceeding this amount will be forfeited.
- **The deadline for submitting 2019 Health Care FSA and Dependent Day Care FSA claims is extended to December 31, 2020.** Now, claims incurred up to December 31, 2019, can be submitted for reimbursement by December 31, 2020.

Remember, the maximum amount you can contribute to a Health Care FSA in 2020 is \$2,700, and the maximum amount you can contribute to the Dependent Day Care FSA is \$5,000. (Note: The 2021 Health Care FSA maximum will be \$2,800).

ADDITIONAL CHANGES

The following changes apply to coverage offered under NCFlex:

- If you currently are enrolled in dental and/or vision coverage through NCFlex, you will be permitted to change your coverage tier (i.e., Employee only to Employee plus Family or vice versa) without experiencing a qualifying life event. To request a change, contact your institution's Benefit Office.
- If you were hired by the UNC System beginning March 1, 2020, and you did not enroll for your NCFlex benefits by your enrollment deadline, you may be allowed to enroll for coverage now. Please contact your institution's Benefit Office for enrollment instructions.
- If you are eligible to enroll for COBRA coverage, the time to elect coverage and to make your initial payment has been extended. Although the election and payment periods are extended, your election will be retroactive to the date you originally lost coverage and your coverage will not be reactivated until the payment is received. For more information, click [here](#).
- You will have additional time to file claims for your NCFlex benefits. Click [here](#) to visit the P&A website to file a claim.

NEXT STEPS

To enroll or make changes to your 2020 Health Care FSA or Dependent Day Care FSA elections and/or dental and vision coverage, contact your institution's Benefit Office. Changes you make will be in effect the first of the following month.

If you have any questions, please contact Keyona McNeill 336-770-1451