

THE LATEST: Massachusetts Issues Plan for Reopening and the IRS Issues Notices Allowing Temporary Mid-Year Elections and FSA Flexibility

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Massachusetts Reopening Plan Released

Yesterday Governor Baker released the long awaited [Plan to Reopen Massachusetts](#). The plan has [4 phases](#) and public health metrics will drive the timing of each phase, with a minimum of 3 weeks for each phase. We all must continue to follow social distancing and guidance as issued by the State, and to reopen, businesses must meet [mandatory safety standards](#), including:

- **COVID-19 Control Plan** – written control plan requirement for self-certification (see [template](#)).
- **Compliance Attestation Poster** – must be signed and posted on premises visible to workers and visitors (see [template](#)).
- **Employer and Worker Posters** – must be displayed on business premises describing the rules for maintaining social distancing, hygiene protocols, and cleaning and disinfecting (see [employer template](#); see [employee template](#)).

More details can be found at www.mass.gov/reopening

IRS Issues Notices Allowing for Temporary Mid-Year Elections and FSA Flexibility

In an effort to increase flexibility during the COVID-19 pandemic, the IRS issued the following notices Mid-May:

- [IRS Notice 2020-29](#) **allows for mid-year elections or changes** under a Section 125 cafeteria plan during calendar year 2020 for employer-sponsored health coverage, health flexible spending arrangements (health FSAs), and dependent care assistance programs (DCAPs). In addition, **it allows participants to use otherwise forfeited funds remaining in the FSA as of the end of a grace period or plan year ending in 2020 to pay or reimburse expenses incurred through December 31, 2020.**
- [IRS Notice 2020-33](#) **increases the limit for unused health FSA carryover amounts from \$500 to a maximum of \$550** (for plan years beginning on or after January 1, 2020), and clarifies the ability of a health plan to reimburse individual insurance policy premium expenses incurred prior to the beginning of the plan year for coverage provided during the plan year.

Please note, **the above flexibility is optional for employers**; those looking to implement any/all of the above should contact their FSA administrators to adopt the proper plan amendments. For more information, see our Legislative Alert [here](#).

Sullivan Benefits will continue to provide COVID-19 and other legislative updates as appropriate. In the interim, please reach out to any member of the [Sullivan Benefits](#) Team with any questions, requests for materials or more information.

This document not intended to be exhaustive nor should any discussion or opinions be construed as legal advice; contact your legal counsel for legal advice.