

A resolution to increase the Healthcare Flexible Spending Account year end rollover amount was presented to the Insurance Committee on July 23, 2020. The committee voted unanimously to pass the resolution to the Steering Committee.

The IRS and Department of the Treasury published notice 2020-33 to replace the current rollover amount from \$500 to \$550 beginning with the 2020 plan year. This was in effort to provide relief of the ongoing effect of the financial impact of the COVID-19 virus.

The Healthcare Flexible Spending Account is funded by employee contributions and used in a calendar year for medical expenses approved by the IRS. The rollover amount allowed is a portion of unused funds an employee may have at the end of a calendar year.

The resolution presented to the committee is to increase the rollover amount from \$500 to \$550 under the guidance of the IRS, and to make such amendment to the Summary Plan Description (SPD).

RESOLUTION

WHEREAS, Rutherford County currently provides its employees the opportunity to participate in a health flexible spending arrangement (FSA) for their qualified medical expenses; and

WHEREAS, IRS Notice 2020-33 details modifications to the “use-or-lose” rule for health FSAs allowing five hundred fifty dollars (\$550) of unused amounts remaining at the end of a plan year in a health FSA to be paid or reimbursed to plan participants for qualified medical expenses incurred during the following plan year.

THEREFORE BE IT RESOLVED by the Rutherford County Board of Commissioners that the County IRS Section 125 plan document be amended to include the carryover provision of five hundred fifty dollars (\$550) for health FSAs beginning with the 2020 calendar year.

RESOLVED this _____.

RUTHERFORD COUNTY, TN

BY: _____
Bill Ketron, Chairman

ATTEST:

Lisa Crowell, County Clerk