

Ensign Services COVID-19

401(k), HSA, FSA and Tax Filing Updates

In addition to the recent testing and telemedicine updates already communicated, the newly passed CARES Act allows the following relief to eligible affiliate employees:

401(k) Plan Participants

Participants with an account balance can request penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons. These include:

- Adverse financial consequences due to being quarantined
- Furloughed, laid off or having work hours reduced
- Being unable to work due to a lack of childcare
- Closing or reducing hours of a business owned or operated by the individual.

The CARES Act Distributions are more favorable than hardship withdrawals—including those for Federal Emergency Management Agency (FEMA)-declared disasters—because:

- Tax on the income from the withdrawal may be paid over a three-year period;
- Participants may repay the amount withdrawn to an eligible retirement plan within three years;
- Repayments will not be subject to the retirement plan contribution limits; and
- All contribution sources – pre-tax, Roth, Rollover money and vested matching contributions will be available.
- The early withdrawal tax penalty of 10% has been waived
- No limit to the number of such withdrawals each impacted participant can make, subject to the \$100,000 maximum.

Fidelity (our 401(k) recordkeeper) is currently updating their processes and distributions will be available to you April 6, 2020. If you are interested in a distribution, please contact Fidelity at 800-835-5095. Additional questions can also be referred to the Benefits Center at 877-352-8104.

Check out the [401\(k\) Plan FAQs](#) for more information on COVID-19 and a401(k) plans.

Health Savings Account Participants

- Participants can now access telemedicine without needing to meet the plan deductible first
- Over the counter medication and supplies are now qualified healthcare expenses for HSA
- Feminine hygiene products have also been added as eligible expenses
- The IRS has extended its deadline for individuals to make 2019 contributions to their HSA's until July 15

Flexible Spending Account Participants

- Over the counter medication and supplies are now qualified healthcare expenses for FSA
- Feminine hygiene products have also been added as eligible expenses

Tax Filing Deadline Extension

In addition, the IRS released [Notice 2020-58](#), extending the deadline for individuals to file their taxes without incurring a penalty or interest, from April 15, 2020 until July 15, 2020.