

# The CARES Act



The Coronavirus Aid, Relief and Economic Security (CARES) Act, was signed into law by President Trump on March 27, 2020. The CARES Act is intended to help provide financial stability and relief for individuals affected by COVID-19. The following are key elements of the Act:

- Elimination of Early Withdrawal Periods for Coronavirus Related Distribution (CRD)
- Expansion of Retirement Plan Loan Access, Repayment Flexibility
- Waiver of Required Minimum Distribution (RMD) Requirements for All Retirement Savers
- Reinstatement of Over The Counter (OTC) Medications and Drugs for Reimbursement from HSAs, FSAs and HRAs
- All Testing and Potential Vaccines for COVID-19 will be Covered at No Cost to Employees
- Changes to BCBSTX Early Prescription Fills

## **Retirement Plans**

### **Coronavirus Related Distribution (CRD)**

The Act waives the 10% penalty tax on early withdrawals up to \$100,000 from a retirement plan or IRA during calendar year 2020 for an individual:

- who is diagnosed with COVID-19 (via test approved by CDC)
- whose spouse or dependent is diagnosed with COVID-19
- who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19; or
- other factors as determined by the Treasury Secretary

The CARES Act also permits those individuals to pay tax on the income from the distribution ratably over a three-year period and allows individuals to repay that amount into the plan over the next three years (presumably filing for tax deduction on the taxes they will have paid as a result of the premature distribution). Those repayments would not be subject to the retirement plan contribution limits.

### **Plan Loans**

The Legislation doubles (only for the period 180 days after enactment) the current retirement plan loan limits to the lesser of \$100,000 or 100% of the participant's vested account balance in the plan.

Qualifying individuals with an outstanding loan from their plan with a repayment due from the date of enactment of the CARES Act through December 31, 2020, can delay their loan repayment(s) for up to one year. The due date of the loan would be adjusted allowing it to go beyond the general purpose loan five-year period. However, additional interest would accrue.

### **Required Minimum Distributions (RMDs)**

The Act waives RMDs for calendar year 2020 for defined contribution plans, including 401(k), 403(b), 457(b) and IRA plans, allowing individuals to keep funds in their retirement plans. Under

current law individuals must generally take an RMD at age 72 from their employer sponsored retirement plans and IRAs. The legislation also includes special rules regarding the waiver period to, in essence, hold harmless those individuals (and plans) who took advantage of the RMD waiver of 2020.

**Scan the QR code for contact information and additional resources!**



## **Reinstatement of OTC Medications and Drugs for Reimbursement from HSAs, FSA, HRAs**

The CARES ACT permanently reinstates coverage of Over The Counter (OTC) drugs and medicines as eligible reimbursement items from FSAs, HSAs and HRAs retroactive to January 1, 2020 for any OTC expenses incurred as of the effective date.

### **Here is What You Need to Know:**

- If you had an OTC item denied on your FSA, you can contact TaxSaver Plan's Support Team at 214-224-9403 to have the claims reprocessed. For any HSA OTC items that were denied, you will need to resubmit your receipt.
- The FSA and HSA debit cards will not immediately be able to accept charges for OTC drugs and medicines. The retail stores and their systems must make adjustments to allow these types of purchases on the benefits debit card and that will take them time.
- In the meantime, you may pay for OTC drugs and medicines out of pocket and submit the itemized receipt to TaxSaver Plan as a manual claim to be reimbursed.

### **Over-the-Counter Eligible Items List:**

#### **Items Typically Eligible (Non-medical)**

- Bandages
- Birth Control
- Blood Pressure monitors & kits
- Cholesterol Test kits
- Condoms
- Contact Lens solutions & cleaning kits
- Crutches, Canes, Walkers, etc.
- Diabetic monitors & test kits
- Eye Patches
- Fertility monitors & test kits
- First aid kits
- Hearing aid batteries
- Incontinence supplies
- Insulin testing kits
- Medical monitoring & testing devices
- Menstrual Care products
- Occlusal Guards
- Orthotics
- Pregnancy Tests
- Reading Glasses
- Wheelchairs

#### **Items Typically Eligible (Medical)**

- Acne medications/ treatments
- Allergy & sinus medications/products
- Antacids
- Antibiotic ointments/ creams
- Aspirin & other pain relievers
- Asthma medications/ treatments
- Canker & cold sore treatments
- Chest rubs
- Cold & flu medicines
- Corn removal products
- Cough drops & sore throat lozenges
- Cough syrups
- Diaper rash treatments
- Ear drops
- Eye drops
- Laxatives
- Lice treatments
- Motion sickness/anti-nausea medicine
- Oral (teething) pain treatment
- Plan B
- Sleep aid medication
- Stomach upset medicine/digestive aids

## ***Health Coverage for Testing of COVID-19***

The CARES Act extends coronavirus testing (covered without cost-sharing and outside the deductible), as required by the Families First Coronavirus Response Act, to any services or items provided during a medical visit that results in coronavirus testing, including an in-person or telehealth visit to a doctor's office, an urgent care center or an emergency room.

## ***Telemedicine with Teladoc & Telehealth with BCBSTX providers***

With the help of communication technologies, many members can now interface with both Teladoc providers and your primary care and/or specialist health care providers from the comfort of your own home. This may be especially helpful during a pandemic. It can help individuals receive treatment for non-COVID-19 related symptoms, continue care with your in-network BCBSTX specialist or know if you should get a COVID-19 test for the virus while supporting social distancing.

***If you are on one of Apex Group's medical plans, you have access to these two models for digital access to providers:***

1. Teladoc's Telemedicine allows members to contact Teladoc that provides access to physicians, and offers a range of services for acute non-emergent needs. To start a virtual visit with a Teladoc telemedicine provider, visit [teladoc.com](http://teladoc.com) or call 800-835-2362. Where necessary, the Teladoc telemedicine provider may refer you to be seen by your own provider or specialist.
2. BCBSTX Telehealth Services provide members with the ability to contact your own physician and/or specialist in the BCBSTX network rather than delaying care or going through a Teladoc telemedicine provider. The physician must have the appropriate technology to provide live, two-way audio and/or visual communication with the patient. Many primary care physicians and specialist are offering this type of visits for non-emergent services to provide members with care while also allowing them to practice safe social distancing. If you are experiencing symptoms or think you might have been exposed to COVID-19, please call your physician right away and ask what telehealth options may be available. Please note that claims for non-related COVID-19 testing or treatment will pay according to the your plan's benefit schedule.

***When available, either telehealth services through your physician's office or the virtual visits through Teladoc may be a preferred option to an in-person visit, allowing faster support and reducing exposure to the COVID-19 virus.***