



CARES ACT & BENEFITS CHANGES

Changes to Health Care Spending Account (HCSA) Eligible Expenses

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. Included in the CARES Act are provisions that will allow participants in an HCSA to claim:

- **Over-the-counter medications** – Without a doctor’s prescription. Previously a doctor’s prescription was required to claim over-the-counter medicines.
- **Menstrual care products** – These products are now considered eligible expenses and can be reimbursed through a HCSA.

Participants may continue to use their HCSA Visa card to purchase over-the-counter medications or menstrual care products, and save the receipt as proof of purchase. Participants may also file a claim online at mylacountybenefits.com or use their smartphone to access the EZ Receipt App.

Dependent Care Spending Account (DCSA) Eligible Cost Change Life Event

In response to the Coronavirus, many schools and daycare providers have closed over the past few weeks. In light of this, 2020 DCSA participants may need to increase their DCSA contributions to cover the unexpected dependent care costs incurred as a result of school closures (now you need to pay a provider for daycare). Or, participants may need to decrease or cancel their contributions as a result of school and daycare closures because they no longer need daycare (participant is now teleworking, or spouse/domestic partner is now home and watching the dependent). **The good news is that DCSA participants can make changes to their 2020 DCSA for these reasons.**

Participant must complete the following steps:

1. Log on to www.mylacountybenefits.com
 - Click the “Enroll or Make Changes” button
 - Click “Life Events”
 - Select the life event “Dependent Care Cost Change” from the drop-down menu
 - Enter your life event date and then click on the “Continue” button
 - Follow the instructions online
2. Download and submit your completed “Dependent Care Spending Account Change in Cost Affidavit” to the Benefits Plan Administrator by using the “Upload” link in the “Documentation required” section of your Enrollment Homepage at www.mylacountybenefits.com, or attach your completed form to an email and send it to documents@mylacountybenefits.com.

Participants may increase their contributions or re-enroll in a 2020 DCSA using this same life event when their dependents return to school or daycare sometime in 2020.

If you have any questions, call the Benefits Hotline at (213) 388-9982, Monday through Friday, 8 AM to 4 PM.

CARES Act Provides Relief to Horizon and Saving Plan Participants

The Coronavirus Aid, Relief, and Economic Security Act (CARES) defines those with a Coronavirus-related need as to individuals who:

- Have been diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention,
- Have a spouse or dependent who has been similarly diagnosed,
- Are experiencing adverse financial consequences due to being furloughed, quarantined or laid off; have reduced paid work hours; are unable to work due to lack of childcare; or have to close or scale back a business due to COVID-19.

Increases Retirement Plan Loan Maximums – The maximum loan amount for a Coronavirus-related need is increased from \$50,000 (or 50% of your vested account balance) to \$100,000 (or 100% of your vested balance). This increase will apply to loans taken through September 22, 2020.

Allows for Delayed Loan Repayment – For eligible individuals, the CARES Act allows new or existing loan repayments occurring between March 27, 2020 and December 31, 2020 to be delayed. Remaining loan repayments beginning in 2021 will be re-amortized and the loan maturity date will be extended to reflect these repayment delays, plus accrued interest.

To apply for a loan based on a Coronavirus-related need, please contact Empower Retirement at (800) 947-0845 to request a form.

Eliminates Early Withdrawal Tax Penalty – The 10% IRS tax on pre-age-59½ early withdrawals (if applicable) is waived for Coronavirus-related distributions of up to \$100,000 through December 2020.

Permits Required Taxes to be Paid Over Three Years – Coronavirus-related withdrawals are taxable as income, but participants may elect to repay the tax over three years. Additionally, the standard 20% income tax withholding at the time of distribution is not required.

To apply for a Coronavirus-related withdrawal, complete and submit a request form by logging in to your Plan account at www.countyla.com, click on the Plan name, and select *Plan forms*.