

## Eligible Expense Period Extension

On Tuesday, May 12, 2020, the IRS issued [Notice 2020-29](#) and [Notice 2020-33](#). These Notices included major changes to Section 125 and FSA benefits that may be financially beneficial to plan participants. Some provisions, however, require adoption by the plan. IRS Notice 2020-29 allows extension of the eligible expense period for some plans.

If adopted by the plan, the Notice allows the plan to extend claims periods for FSA plan participants to apply unused amounts remaining in a Health FSA, Limited Purpose FSA, or Dependent Care Assistance Program for expenses incurred for those same qualified benefits through December 31, 2020. This provision is available to any plan whose plan year ended in 2020, or whose grace period ended in 2020. This provision would not be available to plans whose plan year ended on or before December 31, 2019 where the grace period was not previously adopted.

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