

Updated Eligible Expenses Now Include Personal Protective Equipment for Flex Spending Accounts

The IRS recently released <u>Announcement 2021-7</u>, which adds Personal Protective Equipment (PPE) to protect against COVID-19 as eligible expenses under Code 213(d). This means PPE expenses are now eligible under Flexible Spending Account (FSA) and Health Savings Account (HSA) plans.

Specifically, PPE includes:

- Masks
- Hand sanitizer
- Sanitizing wipes

This change is retroactive and effective for expenses incurred on or after January 1, 2021. Also as a reminder, menstrual care products (tampons, pads, etc.) are now covered as an eligible expense, in addition to over the counter (OTC) medications, which no longer require a doctor's prescription for reimbursement.

The newly eligible expenses will be allowed retroactive to January 1, 2021. Updating of the merchant codes on the debit cards through SIGIS will take time, and merchants will be updating their own systems according to their own timelines. This means participants could experience inconsistencies from merchant to merchant for 30 days or more after the SIGIS update. Participants who are unable to use their FSA debit cards to purchase the PPE are encouraged to use another form of payment and submit for reimbursement to Benefit Strategies through the secure online portal, mobile application or a claim form.