

What you need to know about the CARES Act

The new CARES Act, formally named “Coronavirus Aid, Relief, and Economic Security Act” was approved on Friday, March 27, 2020 and signed into law by the President.

How does the Cares Act affect you?

If you are enrolled in the City of Memphis FSA (Flexible Spending Account) or HRA (Health Reimbursement Arrangement) the following applies to you:



Over-the-counter(OTC) medication not prescribed by a prescription can now be reimbursed pre-tax:

- Examples include: aspirin, cough medicine, etc.
- Since this legislation just passed, the FSA and HRA cards cannot be used for OTC products with local merchants at this time. However, employees can request reimbursements for purchases from 1/1/2020 and forward by submitting receipts to Health Equity.



Menstrual care products are now considered eligible expenses:

- Examples include tampons, liners, pads, or similar products
- Since this legislation just passed, the FSA and HRA cards cannot be used for menstrual care products with local merchants at this time. However, employees can request reimbursements for purchases from 1/1/2020 and forward by submitting receipts to Health Equity.

The changes to eligible expenses are retroactive to 01/01/20

To submit your claim for reimbursement or if you have questions about your FSA or your HRA please call Health Equity at 1-888-796-0609

If you are a retiree enrolled in the City of Memphis HRA with Via Benefits, and you have questions please contact Via at 1-866-201-0437.

Mass Mutual – City of Memphis 457(b)

The Cares Act includes measures that ease restrictions for retirement plan withdrawals and loans



*These provisions apply to individuals diagnosed, or whose spouse or dependent is diagnosed, with COVID-19 or SARS-CoV-2, or experience financial consequences due to quarantine, job loss, business closures, reduced working hours, or other factors determined by the Secretary of Treasury. **You will have to certify with Mass Mutual that you have been impacted by COVID-19.***

Some of the key relief measures include:

- No 10% penalty on early withdrawals up to \$100,000 - allowing individuals three years to repay withdrawal distributions.
- Allowing individuals to include distributions in income apportioned over three years.
- Increasing loan limitations to the lesser of \$100,000 or 100% of participant’s vested account balance, and delaying the start of loan repayment for one year.
- The Required Minimum Distribution (RMD) would be waived for 2020.

Effective April 6, 2020 – December 31, 2020 The City of Memphis will allow loan repayment suspensions and coronavirus-related distributions based upon the enacted rules of CARES Act.

Mass Mutual is also suspending fees on new loans associated with COVID-19 diagnosis

If you would like to exercise this option, and you are plan participant in the City of Memphis 457(b) plan, please contact Austin Maness with Mass Mutual at 901-864-8211 or email amaness@massmutual.com

Student Loan Repayment

- Repayments of principal and interest for certain federal student loans are suspended through September 30, 2020.
- Students who are forced to drop out of school, as a result of COVID-19, will not have time away from school deducted from their lifetime limits on subsidized loan and Pell Grant eligibility.
- Those students would also not be required to pay back any monies already received pursuant to Pell Grants, or federal student loans for a particular period, if a student withdraws from the institution of higher education as a result of COVID-19.

If you have questions about your student loans with Tuitionio please contact Tuition.io at 855-353-9395 or email memphis@tuition.io