

# MISSISSIPPI STATE UNIVERSITY

## Section 125 Cafeteria Plan

### Summary Plan Description

#### Material Modification:

May 13, 2020

This Modification to your Cafeteria Plan, Summary Plan Description provides a brief explanation of the changes to your Cafeteria Plan. The descriptions provided here are only general statements. If there is a conflict between this Modification and your company's Cafeteria Plan Document, the Plan Document will be the controlling document. Should you need to see the Cafeteria Plan Document, please see your Plan Administrator.

Briefly, this Material Modification includes the following changes effective as of the date written herein:

Internal Revenue Service (IRS) Notice 2020-29 and 2020-33 provides relief in respect to mid-year elections under a Section 125 Cafeteria Plan, due to COVID-19. The guidance expanding the situations in which participants may make mid-year elections for Unreimbursed Medical and/or Dependent Care Plans, to reflect changes in needs as a result of the COVID-19 pandemic, below are your relief options:

#### **Election Changes during the Plan Year.**

- revoke, increase or decrease an existing election with respect to a Unreimbursed Medical Plans (including a limited purpose Unreimbursed Medical Plans) or a dependent care assistance plan.

#### **Unreimbursed Medical Spending Accounts.**

Grace Period. Your Plan includes a Grace Period, (as defined in the Plan Information Summary), of 2 ½ months, ending on the fifteenth (15<sup>th</sup>) day of the third month, following the close of the Plan Year. Effective immediately, our plan has adopted a temporary extension to this Grace Period to include coverage incurred through December 31, 2020.

#### **Forfeiture of Unclaimed Reimbursement Account Benefits.**

Participants in a Flexible Spending Account must use contributions during the benefit period outline in the plan. Funds remaining at the end of the benefit period (excluding certain eligible Unreimbursed Medical balances that may be rolled on Carryover plans), will be forfeited. This rule is commonly referred to as the "use-it-or-lose-it" rule, requiring that unused contributions or benefits remaining at the end of the plan year are forfeited. The guidance of COVID-19 Notice 2020-29 and Notice 2020-33 is only a temporary extension.

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(Please insert this page in your Summary Plan Description Booklet).