

IRS INFORMATION LETTER ADDRESSES FSA DEADLINE

Hodgson Russ Employee Benefits Newsletter
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The Treasury Department recently issued an information letter stating that it does not have the authority to provide a hardship exception for the late submission of dependent care flexible spending account claims for reimbursement. The IRS noted that the Internal Revenue Code and Treasury Regulations do not specify claim submission deadlines. Rather, the plan sponsor determines these deadlines. The information letter further provides that the plan document should specify when employees must submit claims after the end of the plan year. Employers sponsoring these types of benefits should be sure that the terms of the benefit, including the claim submission deadlines are clearly communicated to employees. (IRS Info. Letter 2020-005)

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