



# new carryover and age limit rules dependent day care spending account plan

human energy. yours.™

**Update to the summary plan descriptions (SPD)**  
**Changes described in this SMM are effective as of the dates specified below.**

The enclosed information serves as an official summary of material modification (SMM) for the **Dependent Day Care Spending Account (DCSA) Plan**. Please keep this information with your other plan documents for future reference. You can access the summary plan descriptions for your benefits at [hr2.chevron.com](https://hr2.chevron.com) or by calling the HR Service Center at **1-888-825-5247**.

## introduction

This document describes the following temporary changes to the Chevron Dependent Day Care Spending Account (DCSA) Plan:

- Temporary qualifying age limit increase to 14.
- New opportunity to carryover unused 2020 DCSA account funds into 2021.

This document applies to eligible, former U.S.-payroll employees.

### who to contact



- Contact **Anthem** directly at **1-844-627-1632** to discuss reimbursement claims, eligible expenses, or carryover questions.
- More DCSA information and claim resources are available on **hr2.chevron.com**. Go to **Wealth Management** on the top navigation, then choose **Dependent Day Care Account** from the dropdown menu.

**new carryover opportunity**  
**former employees enrolled in the DCSA in 2020**  
**effective January 1, 2021 through December 31, 2021**

Typically, the money in your DCSA can be used only for eligible expenses incurred between January 1 and December 31 in the year you are enrolled. Any remaining balance left in your account after the final claim filing deadline will be forfeited.

Due to the COVID-19 public health emergency, DCSA participants may have more unused DCSA amounts at the end of the 2020 plan year than in previous years. To address this issue, the 2021 Consolidated Appropriation Act temporarily allows participants to carry over unspent DCSA funds from the 2020 plan year into the 2021 plan year. **Chevron has adopted these new rules effective January 1, 2021 through December 31, 2021 and Chevron Dependent Day Care Spending Account (DCSA) Plan participants now have access to carryover balances as described in this document.**

**who is eligible for the carryover**

To be eligible for the special, carryover opportunity, you must satisfy **all** of the following requirements:

- You were a U.S.-payroll employee **enrolled in the DCSA** for all or part of the 2020 plan year.
- You have **at least \$25 in unused funds** in your 2020 DCSA. There is *no* maximum limit to the amount you're permitted to carryover.

**claims deadline extended**

As a reminder, due to the current global pandemic, the deadline to submit claims for eligible expenses incurred **January 1, 2020** through **December 31, 2020** has been extended. The deadline for 2020 claims is now **60 days** after the President announces the end of the National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak *or* **June 30, 2022**, whichever occurs first. **After the applicable claims deadline, you can no longer submit a claim for expenses incurred in 2020.**

While you have extra time to submit claims if you need it, we *strongly* encourage you to submit as many of these claims as possible prior to the normal claims deadline of June 30, 2021 to assist with processing the carryover of your 2020 DCSA (if any).

## how the new carryover works

### Step 1: Submit your outstanding 2020 claims.

While the claims deadline has been extended for eligible expenses incurred January 1, 2020 through December 31, 2020, you're strongly encouraged to submit claims as soon as they happen. Claims for eligible expenses submitted by June 30, 2021 will be paid from your 2020 DCSA account balance.

example	
<b>You elect to contribute \$1,000 to your 2020 DCSA account.</b>	
Prior to adopting the carryover, the money in your 2020 DCSA can be used for eligible expenses incurred January 1, 2020 through December 31, 2020.	
Expense	2020 Account balance is now ...
\$100 on July 8, 2020.	\$900
\$50 on September 12, 2020.	\$850
You submit a claim form on June 10, 2021 for a \$100 eligible expense incurred on March 10, 2020 that you forgot about.	\$750

### Step 2: Anthem determines your carryover, if any

Anthem will process all 2020 claims submitted by June 30, 2021 and then review the remaining 2020 DCSA account balances for participants who are eligible to receive a carryover. Anthem will automatically apply your eligible carryover amount, as follows:

- If your 2020 DCSA account balance is **under \$25**, you will not receive a carryover.
- If your 2020 DCSA account balance is **at least \$25**, your remaining account balance will carry over.

example	
<b>You elected to contribute \$1,000 to your 2020 DCSA account.</b>	
Expense	2020 Final account balance
You incurred <b>\$250</b> in total expenses incurred between January 1 and December 31, 2020. You submitted all outstanding 2020 claims prior to June 30, 2021.	\$750
<b>Amount that will carryover to 2021:</b>	<b>\$750</b>
Amount from your 2020 DCSA that will be forfeited:	\$0

### Step 3: How to use your carryover

#### If your employee DCSA coverage ended in 2020 ...

If you left Chevron in 2020, and you're eligible for carryover, your carryover amount will be applied to your existing DCSA account. Your account will remain available for you to use the carryover amount according to normal plan rules. You can continue to submit claims and access your account online just as you did in 2020.

- The money in your 2021 DCSA account, which now includes any carryover, can be used for:
  - Eligible expenses incurred **January 1** through **December 31, 2021**, as long as the deadline to claim 2021 expenses has not passed. The normal claims deadline for 2021 eligible expenses is June 30, 2022.
  - Eligible expenses incurred **January 1** through **December 31, 2020**, as long as the deadline to claim 2020 expenses has not passed. The claims deadline for 2020 eligible expenses is 60 days after the President announces the end of the National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak **or** June 30, 2022, whichever occurs *first*.
  - As a reminder, while you are eligible to use carryover amounts in your account, if any, you still are not eligible to make new contributions to your DCSA account.

#### If your employee DCSA coverage ended in 2021 ...

If you left Chevron in 2021, and you were a participant in the DCSA in 2020 *and* in 2021, your *new*, total 2021 DCSA balance must be used according to normal plan rules. This means:

- The **2020 carryover amount**, now included in your 2021 DCSA account, can be used for:
  - Eligible expenses incurred **January 1** through **December 31, 2021**, as long as the deadline to claim 2021 expenses has not passed. The normal claims deadline for 2021 eligible expenses is June 30, 2022.
  - Eligible expenses incurred **January 1** through **December 31, 2020**, as long as the deadline to claim 2020 expenses has not passed. The claims deadline for 2020 eligible expenses is 60 days after the President announces the end of the National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak **or** June 30, 2022, whichever occurs *first*.
- The **2021 contributions** you made to your 2021 DCSA account prior to leaving Chevron can be used for:
  - Eligible expenses incurred **January 1** through **December 31, 2021**, as long as the deadline to claim 2021 expenses has not passed. The normal claims deadline for 2021 eligible expenses is June 30, 2022.
  - You *cannot* use new 2021 contributions to pay for eligible expenses incurred **January 1** through **December 31, 2020**, even if the claims deadline has not passed.
- Remember, if you're eligible for the carryover of your 2020 DCSA, your carryover amount *does not* count toward the 2021 annual contribution maximum limit of \$10,500/\$5,250.

## example

During open enrollment, you elected to contribute **\$5,000** (married filing jointly) to your 2021 DCSA account, the maximum amount allowed at the time.

\$5,000  
2021 DCSA contribution election

You decide to take advantage of the increased maximum contribution limit in 2021 and increase your contribution election to **\$10,500**.

\$10,500  
2021 DCSA contribution election increased

When you leave Chevron, you have made **\$6,500** in 2021 employee contributions so far. New contributions to your 2021 account end, but you remain eligible to claim eligible expenses incurred January 1, 2021 through December 31, 2021.

\$6,500  
Year-to-date employee contributions to the 2021 DCSA when you leave Chevron.

You submit any outstanding 2020 claims by June 30, 2021. After 2020 claims are processed, Anthem determines the carryover from your 2020 DCSA to your 2021 DCSA is \$750:

\$750  
Carryover from your  
2020 DCSA to your 2021 DCSA.

You have \$7,250 in your 2021 DCSA account, which now includes any carryover.

**\$7,250**  
Total DCSA balance in July 2021, after carryover.

- Your **\$750 carryover** can be applied to eligible expenses incurred in 2020 or 2021.
- Your **\$6,500 in new 2021 contributions** can be applied to eligible expenses incurred in 2021 only.

*(continued next page)*

# temporary age limit increase to 14

## former employees enrolled in the DCSA in 2020

### effective january 1, 2020 through december 31, 2021

The DCSA can reimburse qualifying expenses if you have to pay someone to take care of a **qualified dependent** so you (or you and your spouse, if you're married) can work, look for work, or go to school full-time. Under normal plan rules, qualified dependents include **children under age 13**, a disabled child, or for an adult who lives with you and depends on you financially.

The 2021 Consolidated Appropriations Act (CAA) temporarily increased the age limit for a qualifying dependent from age 13 to **age 14** during January 1, 2020 through December 31, 2021, subject to the additional rules outlined below.

#### here's how it works:

- **If submitting claims for eligible expenses** due to this temporary age limit change, be aware that reimbursement can only be made from unspent 2020 contributions. This means:
  - If you don't have enough available unspent 2020 contributions, your claim will be denied.
  - If you're eligible for carryover of unspent 2020 contributions to your 2021 DCSA, you may only use the 2020 carryover amount for reimbursement of these claims. (See the **Carryover** section to learn more about how the carryover works.)
  - In addition, if you leave Chevron in 2021 and were also participating in the 2021 DCSA as an active employee, you cannot use *new 2021* contributions to your 2021 DCSA to reimburse these claims.
- **If your qualified dependent turned age 13 during 2020**, under *previous* plan rules, claims for your 13 year-old were no longer eligible for reimbursement for services that occurred *on or after* your dependent's 13<sup>th</sup> birthday. Under this *new* rule, you can now submit claims for reimbursement for this dependent:
  - For eligible services that occurred during 2020, including *after* your dependent's 13<sup>th</sup> birthday.
  - For eligible services that occurred during 2021, *prior to* your dependent's 14<sup>th</sup> birthday.
  - Remember, reimbursement of services for this dependent can only be made from unspent funds in your 2020 DCSA account, regardless if those services occurred in 2020 or 2021.
- **If your qualified dependent turned age 14 during 2020**, under *previous* plan rules, services for this dependent were not eligible for reimbursement at *any time* during 2020. Under this *new* rule, you can now submit claims for reimbursement for this dependent for services that occurred during 2020, *prior to* your dependent's 14<sup>th</sup> birthday. Remember, reimbursement of services for this dependent can only be made from unspent funds in your 2020 DCSA account.

(continued next page)

- **If your qualified dependent turned age 13 during 2021**, under *previous* plan rules, claims for your 13 year-old were no longer eligible for reimbursement for services that occurred *on or after* your dependent's 13<sup>th</sup> birthday. Under this *new* rule, you can now submit claims for reimbursement for this dependent:
  - For eligible services that occur January 1, 2021 through December 31, 2021.
  - Remember, reimbursement of services for this dependent can only be made from unspent funds in your 2020 DCSA account, regardless if those services occurred in 2020 or 2021.
- **Amounts remaining in your DCSA account at end of 2021** – whether from 2020 carryover or 2021 contributions – cannot be used to reimburse eligible expenses for any child over age 13 in 2022.
- As a reminder, due to the current global pandemic, **the deadline to submit claims for expenses** that occur **January 1, 2020** through **December 31, 2020** has been extended. The deadline for 2020 claims is 60 days after the President announces the end of the National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak or June 30, 2022, whichever occurs first.

*This communication provides only certain highlights about changes of benefit provisions. It is not intended to be a complete explanation. If there are any discrepancies between this communication and the legal plan documents, the legal plan documents will prevail to the extent permitted by law. There are no vested rights with respect to Chevron health care plans or any company contributions towards the cost of such health care plans. Rather, Chevron Corporation reserves all rights, for any reason and at any time, to amend, change or terminate these plans or to change or eliminate the company contribution toward the cost of such plans. Such amendments, changes, terminations or eliminations may be applicable without regard to whether someone previously terminated employment with Chevron or previously was subject to a grandfathering provision. Some benefit plans and policies described in this document may be subject to collective bargaining and, therefore, may not apply to union-represented employees.*