



# new opportunities for carryover and mid-year changes

## health care spending account plan

effective january 1, 2021 through december 31, 2021

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### Update to the summary plan descriptions (SPD)

Changes described in this SMM are effective January 1, 2021 through December 31, 2021.

The enclosed information serves as an official summary of material modification (SMM) for the **Health Care Spending Account (HCSA) 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](http://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 Health Care Spending Account (HCSA) Plan as permitted by the 2021 Consolidated Appropriation Act:

- Expanded carryover of unused 2020 health care flexible spending account funds into 2021.
- New opportunities for mid-year elections and changes for participants enrolled in COBRA coverage for the HCSA in 2021.

**These expanded rules are effective as of January 1, 2021 and remain available to Chevron Health Care Spending Account (HCSA) Plan participants through December 31, 2021, as described in this document.**

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

### who to contact



- To make mid-year 2021 HCSA enrollment or election changes, call the **BenefitConnect COBRA** at **1-877-292-6272** (1-858-314-5108 outside the U.S.)
- Contact **Anthem** directly at **1-844-627-1632** to discuss reimbursement claims, eligible expenses, or other carryover questions.
- HCSA information and claim resources are available on [hr2.chevron.com](http://hr2.chevron.com). Go to **Health Plans** on the top navigation, then choose **Health Accounts** from the dropdown menu.

# new mid-year enrollment rules

## former employees eligible for and enrolled in COBRA coverage for the HCSA in 2021

**Important:** As you consider if you will make use of the plan change below, please keep the following important considerations in mind: If you elect COBRA coverage, you will be required to pay 102% of the cost of coverage, which means you will generally be paying an amount *greater* than what you might receive in reimbursements. In addition, you no longer receive a tax benefit when you contribute as a COBRA participant. Reasons why you might still choose to elect COBRA HCSA include that you have a large remaining account balance at the time of your qualifying event.

Typically, if you want to participate in the HCSA, you must enroll during your COBRA enrollment period. In addition, you cannot change your contribution election mid-year or stop participating unless you experience certain qualifying life events that allow these kinds of changes.

For the 2021 plan year, eligible participants are permitted to **change contribution elections** and **stop or start** participating in COBRA coverage for the HCSA at any time during the plan year, for *any* reason, without regard to qualifying life events or the enrollment period.

- You must be **eligible to participate in COBRA coverage for the HCSA** to enroll. There are no changes to the current COBRA eligibility rules for the HCSA.
- These enrollment and contribution changes are **prospective only** and therefore cannot be applied prior to the date you actually make the election change.
- You can change your annual goal amount by **increasing, decreasing** or **stopping** your contributions, with the following limitations:
  - Changes to your annual goal amount **cannot be less** that what you've already contributed.
  - If your account is overspent, meaning you have claimed more reimbursements than you've contributed, you may only reduce your annual goal amount to **equal your year-to-date reimbursements**.
  - If your employee HCSA coverage ended in 2020 (your qualifying event) and you remain a HCSA participant solely because you have 2021 carryover amounts as described in the *New, Expanded Carryover Opportunity* section of this document, you *are not* eligible to make an election change.
  - The **annual HCSA maximum** and minimum contribution limits apply (see page 5).
- To change your enrollment mid-year, **call BenefitConnect COBRA** for assistance; this change generally cannot be made on the BenefitConnect COBRA website.
- This temporary expansion of mid-year election rules applies to the **2021** plan year, **January 1, 2021** through **December 31, 2021**.

As a reminder, if you are currently enrolled in COBRA coverage for the High Deductible Health Plan (HDHP) or the High Deductible Health Plan Basic (HDHP Basic) in 2021, you *cannot* also participate in the HCSA.



In addition, if your employee HCSA coverage ended in 2020, you are not eligible to make *new* contributions to your account in 2021 (although you may be eligible to carryover remaining balances, as described in the *New, Expanded Carryover Opportunity* section of this document).

# new, expanded carryover opportunity

## former employees enrolled in the HCSA in 2020

Typically, the money in your HCSA 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, HCSA participants may have more unused HCSA amounts at the end of the plan year than in previous years. To address this issue, Congress and the IRS temporarily adjusted standard flexible spending account rules and requirements. **Chevron has adopted this increased flexibility effective January 1, 2021 through December 31, 2021 and Chevron Health Care Spending Account (HCSA) Plan participants now have access to increased carryover balances as described in this document.**



The HCSA has been amended as permitted by the 2021 Consolidated Appropriation Act effective January 1, 2021. **This summary material modification (SMM) contains the current plan provision changes and replaces the HCSA carryover provisions previously described in the October 1, 2020 SMM.**

**As a reminder, COBRA coverage for the HCSA is usually only available for the remainder of the year in which your employee coverage ends.** However, if you're eligible for the carryover, your carryover amount will continue to be available to you as described in this SMM.

### who is eligible for the new carryover

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

- You were an active, U.S.-payroll employee **enrolled in the HCSA** for all or part of the 2020 plan year.
- You have **at least \$25 in unused funds** in your 2020 HCSA. There is *no* maximum limit to the amount you're permitted to carry over.
- **Important:** If you are enrolled in COBRA coverage for the Chevron High Deductible Health Plan (HDHP) or the Chevron High Deductible Health Plan Basic (HDHP Basic) in 2021, you still *cannot* also participate in the HCSA in 2021 and therefore **are not eligible** for the carryover.

### what's changed?

The new changes *eliminate* some of the restrictions imposed for the one-time carryover opportunity as communicated in October 2020:

- Under previous rules you were limited to a maximum of \$550 of unused HCSA funds. Under the new rules, there is *no* maximum carryover limit.
- Under previous rules, you could only qualify for carryover amounts if you were contributing to the HCSA at the start of a new plan year. Under the new rules, if you have a balance remaining, it will be eligible for carryover even though you did not elect new contributions in 2021. (Keep in mind, if your employee HCSA coverage ended in 2020, you are not eligible to make *new* contributions to your account in 2021, although you may be eligible to carryover remaining balances as described above.)

As a reminder, if you are enrolled in COBRA coverage for the Chevron High Deductible Health Plan (HDHP) or the Chevron High Deductible Health Plan Basic (HDHP Basic) in 2021, you still cannot also participate in the HCSA in 2021 and therefore **are not eligible** for the carryover. This rule has *not* changed.

## 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 (see page 6), 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 HCSA account balance.

Example	
<b>You elected to contribute \$1,000 to your 2020 HCSA account.</b>	
Prior to adopting the carryover, the money in your 2020 HCSA could be used for eligible expenses incurred January 1, 2020 through December 31, 2020.	
Expense	2020 Account balance is now ...
\$100 on July 8, 2020 using your HCSA debit card.	\$900
\$50 on September 12, 2020 using your HCSA debit card.	\$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 HCSA account balances for participants who are eligible to receive a carryover. Anthem will automatically apply your eligible carryover amount, as follows:

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

Example	
<b>You elected to contribute \$1,000 to your 2020 HCSA 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 HCSA that will be forfeited:	\$0

*(continued next page)*

### Step 3: How to use your carryover

#### If you are enrolled in COBRA coverage for the HCSA for 2021 ...

As a reminder, if your qualifying event occurred in 2020, you cannot elect to contribute *new* amounts to the HCSA in 2021, but you may be eligible for a carryover of your 2020 remaining balance. Your 2021 HCSA balance must be used according to normal plan rules.

- The **2020 carryover amount**, now included in your 2021 HCSA account, can be used for:
  - 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*.
  - 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.

#### If you did not elect COBRA for HCSA when your employee HCSA coverage ended in 2020 ...

If you did not elect COBRA for HCSA when your employee HCSA coverage ended in 2020 (your qualifying event) but you're eligible for carryover\*, your carryover amount will be available to you in 2021, in accordance with normal plan rules. You can continue to submit claims and access your account online as you did in 2020.

- The money in your 2021 HCSA account, which only 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, if you are enrolled in COBRA coverage for the Chevron High Deductible Health Plan (HDHP) or the Chevron High Deductible Health Plan Basic (HDHP Basic) in 2021, you still cannot also participate in the HCSA in 2021 and therefore **are not eligible** for the carryover.*

### HCSA 2021 maximum annual contribution claims

For your reference, effective **January 1, 2021** the maximum amount you're allowed to contribute to the Chevron Health Care Spending Account (HCSA) is as follows:

- You can contribute up to **\$2,750**.
- Chevron *does not* contribute to the HCSA.

## 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 HCSA (if any).

*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.*