



# **new carryover opportunity**

## **dependent day care spending account plan**

### **for active employees**

#### **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 **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](http://hr2.chevron.com) or by calling the HR Service Center at **1-888-825-5247**.

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

## **introduction**

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 CAA 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 carry over.

## carryover and the maximum annual contribution limit

If you're eligible for the carryover of your 2020 DCSA, your carryover amount does *not* count toward the [2021 annual maximum](#); your carryover amount will be added to the amount you elect (if any) to contribute to the DCSA for 2021.

For example, if you're married, filing jointly, and you elect to contribute the maximum of \$10,500 in 2021 and you're eligible for a 2020 DCSA carryover of \$750, you will be eligible to spend a total of \$11,250 from January 1, 2021 through December 31, 2021 under the 2021 DCSA.

### 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

**You elect to contribute \$1,000 to your 2020 DCSA account.**

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 employees 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.

### step two example

You elected to contribute \$1,000 to your 2020 DCSA account.

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 you are enrolled in the DCSA for 2021 ...

If you are enrolled in the DCSA for 2021 and you're eligible for carryover, your carryover amount will be *added to* the amount you elect to contribute to the DCSA for 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*.
- Your new **2021 contributions** to 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.
  - 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.

## step three 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

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 \$11,250 in your 2021 DCSA account, which now includes any carryover.

**\$11,250**  
Total DCSA balance in July 2021, after carryover.

- Your **\$750 carryover** can be applied to eligible expenses incurred in 2020 *or* 2021.
- Your **\$10,500 in new 2021 contributions** can be applied to eligible expenses incurred in 2021 only.

### If you are *not* enrolled in the DCSA for 2021 ...

If you are *not* enrolled in the DCSA for 2021 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*.

## who to contact



- To make mid-year DCSA enrollment or election changes, call the **HR Service Center** at **1-888-825-5247** (1-832-854-5800 outside the U.S.)
- 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.

*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.*