



expanded carryover of 2020 funds health 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 **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 or by calling the HR Service Center at 1-888-825-5247.

introduction

This document describes an expanded carryover opportunity for unused 2020 Chevron Health Care Spending Account (HCSA) funds into 2021 as permitted by the 2021 Consolidated Appropriation Act. **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, active U.S.-payroll employees.



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.**

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.**

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 a 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 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 were required to enroll in and contribute a minimum of \$120 to the HCSA for 2021 to receive your carryover, if any. Under the new rules, you *do not* have to be enrolled in or contribute to the HCSA in 2021 to receive your carryover, if any.

As a reminder, if you are enrolled in 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.

reminder: 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).

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 HCSA account balance.

step one example

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

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 employees 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.

step two example

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

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

Step 3: How to use your carryover

If you are enrolled in the HCSA for 2021 ...

If you are enrolled in the HCSA for 2021 and you're eligible for carryover, your carryover amount will be *added to* the amount you elect to contribute to the HCSA for 2021. Your *new*, total 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.
- Your new **2021 contributions** to your 2021 HCSA 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.
- Note: If you're eligible for the carryover of your 2020 HCSA, your carryover amount *does not* count toward the 2021 annual contribution maximum limit of \$2,750.

step three example

During open enrollment, you elected to contribute **\$2,750** to your 2021 HCSA account, the maximum amount allowed.

\$2,750
HCSA balance on January 1, 2021.

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

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

You have \$3,500 in your 2021 HCSA account, which now includes any carryover.

\$3,500
Total HCSA balance in July 2021, after carryover.

- Your **\$750 carryover** can be applied to eligible expenses incurred in 2020 *or* 2021.
- Your **\$2,750 in new 2021 contributions** can be applied to eligible expenses incurred in 2021 only.

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

If you are *not* enrolled in the HCSA for 2021 and you're eligible for carryover*, your carryover amount will be applied to your existing HCSA account. Your account will remain available for you to use the

carryover according to normal plan rules. You can continue to use your existing HCSA debit card, submit claims, and access your account online as you did in 2020.

- The money in your 2021 HCSA 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, if you are enrolled in 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.*



New temporary mid-year enrollment rules may allow you to make changes to your HCSA in 2021. [Learn more about these rules.](#)

reminder: HCSA 2021 maximum annual contribution limit

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**.
- If you're eligible for the carryover of your 2020 HCSA, 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 HCSA for 2021. For example, if you elect to contribute the maximum of \$2,750 in 2021 and you're eligible for a 2020 HCSA carryover of \$1,000, you will be eligible to spend a total of \$3,750 from January 1, 2021 through December 31, 2021 under the 2021 HCSA.
- Chevron *does not* contribute to the HCSA.

who to contact



- To make mid-year HCSA 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, the HCSA debit card, or other carryover questions.
- HCSA information and claim resources are available on **hr2.chevron.com**. Go to **Health Plans** on the top navigation, then choose **Health Accounts** from the dropdown menu.

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