



one-time carryover opportunity

health care spending account plan

effective october 1, 2020

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Update to the summary plan descriptions (SPD)

Changes described in this SMM are effective October 1, 2020 unless otherwise indicated.

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.

one-time carryover opportunity

health care spending account plan (HCSA)

Under *current* plan rules, the money in your HCSA flexible spending account can be used only for eligible expenses incurred between January 1 and December 31, 2020. You have until June 30, 2021 to submit your claims for expenses, but any remaining balance left in your account after the final claim filing deadline will be forfeited.

Due to the COVID-19 public health emergency, there have been unanticipated changes in the availability of certain medical care. As a result, HCSA participants are more likely to have unused HCSA amounts at the end of the 2020 plan year than in previous years. **For this reason, effective October 1, 2020, Chevron will adopt a one-time carryover of up to \$550 of unused 2020 Health Care Spending Account (HCSA) Plan amounts, the maximum amount as permitted by IRS Notice 2020-33.** This special, one-time opportunity will be available to eligible, active U.S.-payroll employees *and* to COBRA participants. ([Learn about the carryover for COBRA participants here.](#))



If you want to take advantage of this special one-time opportunity, you must enroll in the HCSA for the 2021 plan year during open enrollment, October 19 through October 30, 2020, on the BenefitConnect website.

active employee coverage carryover requirements

who is eligible for the carryover

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

- You must be a U.S.-payroll employee **enrolled** in the HCSA for the 2020 plan year.
- You must **enroll in the HCSA for the 2021 plan year during open enrollment, October 19 through October 30, 2020**, on the BenefitConnect website. The HCSA plan requires a minimum annual contribution of \$120 to participate.

HCSA 2021 maximum annual contribution limit

Effective **January 1, 2021** the maximum amount you're allowed to contribute to the Health Care Spending Account (HCSA) is increasing:

- 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 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 the maximum 2020 HCSA carryover of \$550, you will be eligible to spend a total of \$3,300 from January 1, 2021 through December 31, 2021 under your 2021 HCSA. See the **how the carryover works** section below for additional details.
- Chevron *does not* contribute to the HCSA.



As a reminder, HCSA coverage *does not* automatically continue from year to year. If you want to participate, you *must* make an election for 2021 HCSA coverage during open enrollment.



As a reminder, if you enroll in the HCSA for 2021, you cannot enroll in the High Deductible Health Plan (HDHP), the High Deductible Health Plan Basic (HDHP Basic) and a health savings account (HSA) in 2021.

how the carryover works

As per normal plan rules, you have until **June 30, 2021** to submit claims for eligible expenses incurred January 1, 2020 through December 31, 2020. Claims for eligible expenses will be paid from your 2020 HCSA account balance. After June 30, 2021, you can no longer submit a claim for expenses incurred in 2020.

example

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

The money in your 2020 HCSA 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 using your HCSA debit card.	\$900
\$50 on September 12 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

After all 2020 claims submitted by the June 30, 2021 claim filing deadline have been processed, Anthem will review the remaining 2020 HCSA account balances for employees who are eligible to receive a carryover. Anthem will automatically apply your eligible carryover amount, if any, to your 2021 HCSA account as follows:

- If your 2020 HCSA account balance is \$0, you will not receive a carryover.
- If your 2020 HCSA account balance is *more than* \$550, the maximum carryover you may receive is \$550. You will forfeit the remaining 2020 HCSA account balance.
- If your 2020 HCSA account balance is *less than* \$550, your remaining account balance will carry over.

example 1

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

You also enroll in the 2021 HCSA during open enrollment.

Expense	2020 Final account balance
\$250 total expenses incurred between January 1 and December 31, 2020. You submitted all outstanding 2020 claims prior to June 30, 2021.	\$750
Maximum carryover amount permitted by the IRS:	\$550
Amount that will carryover to your 2021 HCSA:	\$550
Amount from your 2020 HCSA that will be forfeited:	\$200

example 2

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

You also enroll in the 2021 HCSA during open enrollment.

Expense	2020 Final account balance
\$750 total expenses incurred between January 1 and December 31, 2020. You submitted all outstanding 2020 claims prior to June 30, 2021.	\$250
Maximum carryover amount permitted by the IRS:	\$550
Amount that will carryover to your 2021 HCSA:	\$250
Amount from your 2020 HCSA that will be forfeited:	\$0

If you're eligible for the 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. This means:

- The money in your 2021 HCSA account, which now includes any carryover, can be used only for eligible expenses incurred January 1 through December 31, 2021.
- You have until June 30, 2022 to submit claims for eligible expenses incurred in 2021, but any remaining balance left in your account after June 30, 2022 will be forfeited.
- **There is no carryover available for the 2021 HCSA.**

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 the June 30, 2021 deadline. After 2020 claims are processed, Anthem determines the carryover from your 2020 HCSA to your 2021 HCSA is:

\$450

The money in your 2021 HCSA account, which now includes any carryover, can be used only for eligible expenses incurred January 1 through December 31, 2021.

\$3,200

HCSA balance in July 2021, after carryover.

contact

More 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. Contact **Anthem** directly at **1-844-627-1632** to discuss reimbursement claims, eligible expenses, or the HCSA debit card.

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