



# one-time carryover opportunity

## COBRA coverage

### 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](http://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 eligible COBRA participants.



**If you want to take advantage of this special one-time opportunity, you must enroll in COBRA coverage for the 2020 HCSA during your COBRA enrollment period.**

# COBRA 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 eligible to elect COBRA coverage for your 2020 HCSA.** This generally means you are enrolled in the HCSA for the 2020 plan year at the time of your termination of employment date and your account is underspent. (See the HCSA summary plan description for a complete explanation.)
- You must **enroll in COBRA coverage for the 2020 HCSA** during your enrollment period, *and* **timely pay your premiums** for the remainder of the 2020 plan year.

**COBRA coverage is only available for the remainder of the year in which your employee coverage ends.** This means you cannot elect COBRA coverage for the HCSA in 2021 and contribute more money to your account. However, if you're eligible for the carryover, you do not pay a monthly premium in 2021 and your carryover amount will continue to be available to you until you meet certain plan deadlines. See the **how the carryover works** section below for additional details.



As a reminder, HCSA coverage *does not* automatically continue after you leave Chevron. If you want to participate, you *must* make an election for COBRA coverage during your enrollment period.



As a reminder, if you are eligible for the carryover into 2021, you *cannot* enroll in the High Deductible Health Plan (HDHP) or the High Deductible Health Plan Basic (HDHP Basic) in 2021.

## how the carryover works

As per normal plan rules, if you elect COBRA coverage for the 2020 HCSA, 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 and you elect to continue this coverage through COBRA after your termination of employment.** The money in your 2020 HCSA can be used for eligible expenses incurred January 1 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 COBRA participants who are eligible to receive a carryover. Anthem will automatically apply your eligible carryover amount, if any, to a 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 elect to contribute \$1,000 to your 2020 HCSA account and you elect to continue this coverage through COBRA after your termination of employment.** You also meet the requirements to be considered for the carryover.

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
<b>Amount that will carryover to a 2021 HCSA:</b>	<b>\$550</b>
Amount from your 2020 HCSA that will be forfeited:	\$200

### example 2

**You elect to contribute \$1,000 to your 2020 HCSA account and you elect to continue this coverage through COBRA after your termination of employment.** You also meet the requirements to be considered for the carryover.

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
<b>Amount that will carryover to a 2021 HCSA:</b>	<b>\$250</b>
Amount from your 2020 HCSA that will be forfeited:	\$0

(continued next page...)

The money in your 2021 HCSA account is equal to your 2020 carryover and can be used only for eligible expenses incurred while you're a plan participant. Your participation in the 2021 HCSA ends at the **earliest** of any of the following situations:

- Your HCSA account balance is \$0.
- 18 months have elapsed since you *elected* 2020 HCSA COBRA coverage.
- On December 31, 2021.

You have until June 30, 2022 to submit claims for expenses incurred in 2021, but any remaining balance left in your account after June 30, 2022 will be forfeited.

### example: your account balance reaches \$0

**You elect COBRA coverage for the HCSA effective October 1, 2020.**

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After the June 30, 2021 claims deadline for 2020 claims, Anthem determines that you are eligible for a carryover of <b>\$200</b> .	2021 HCSA account balance: <b>\$200</b>
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On September 1, 2021, you submit a claim for \$200 for an expense that occurred on <b>March 15, 2021</b> .	2021 HCSA account balance: <b>\$0</b>
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**Your account balance is now \$0 so your participation in the HCSA ends.**

### example: december 31, 2021

**You elect COBRA coverage for the HCSA effective October 1, 2020.**

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After the June 30, 2021 claims deadline for 2020 claims, Anthem determines that you are eligible for a carryover of <b>\$550</b> .	2021 HCSA account balance: <b>\$550</b>
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On September 1, 2021, you submit a claim for \$200 for an expense that occurred on <b>March 15, 2021</b> .	2021 HCSA account balance: <b>\$350</b>
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**On December 31, 2021 your HCSA participation ends because you have reached the end of the plan's carryover period. You have until June 30, 2022 to submit any remaining eligible expenses.**

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On March 20, 2022, you submit a claim for \$150 for an expense that occurred on <b>November 3, 2021</b> .	2021 HCSA account balance: <b>\$200</b>
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On June 20, 2022, you submit a claim for \$150 for an expense that occurred on <b>January 28, 2022</b> . This claim is not eligible for reimbursement because your participation ended on December 31, 2021.	2021 HCSA account balance: <b>\$200</b>
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**After the claim deadline of June 30, 2022 passes, you forfeit your remaining account balance of \$200.**

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## example: your 18 month coverage period ends

You elect COBRA coverage for the HCSA effective March 1, 2020.

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After the June 30, 2021 claims deadline for 2020 claims, Anthem determines that you are eligible for a carryover of **\$550**. 2021 HCSA account balance: **\$550**

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On August 1, 2021, you submit a claim for \$200 for an expense that occurred on **March 15, 2021**. 2021 HCSA account balance: **\$350**

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**On September 1, 2021 your HCSA participation ends because you have reached the maximum COBRA coverage period of 18 months. You have until June 30, 2022 to submit claims for any remaining eligible expenses incurred January 1, 2021 through August 31, 2021.**

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On March 1, 2022, you submit a claim for \$200 for an expense that occurred on **June 6, 2021**. 2021 HCSA account balance: **\$150**

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On June 20, 2022, you submit a claim for \$150 for an expense that occurred on **November 3, 2021**. This claim is not eligible for reimbursement because your participation ended on September 1, 2021. 2021 HCSA account balance: **\$150**

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**After the claim deadline of June 30, 2022 passes, you forfeit your remaining account balance of \$150.**

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### contact

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

*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.*