

## Emergency Expense Reimbursement Account

### What is the Employee Benefit?



With an Emergency Expense Reimbursement Account (non-tax advantaged), employers can help cover unforeseen costs for their employees during an emergency. The employer defines what qualifies as a reimbursable expense and determines the dollar amount they want to pay out to their employees for the plan year. Employees can then use monies in this reimbursement account to pay for unexpected expenses.

### Things to Know:

<b>Plan Design</b>	<ul style="list-style-type: none"> <li>Employers set the guidelines for their account in their plan design. <i>Example:</i> Set the dollar amount for contributions to each employee for the plan year, when they will make the funds available to their employees, and the eligibility requirements.</li> <li>Define what qualifies as an emergency (i.e., pandemic, natural disaster, etc.)</li> </ul>
<b>Eligible Expenses</b>	Eligible items for reimbursement are determined by the employer based on what they deem to be a qualifying expense as the result of an emergency circumstance or a triggering event
<b>Limits</b>	Employers can set any limit they want for the plan year such as a maximum amount that can be reimbursed to an employee for the year.
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>Any employee is eligible to utilize this benefit account.</li> <li>Employer may choose to designate eligibility by an employee class, such as part-time or full-time status.</li> </ul>
<b>Funding</b>	Employer funded
<b>Enrollment</b>	Enroll all employees at once at beginning of plan year for a widespread emergency event that occurs at any time throughout the year. The account can also be set up mid-year and contributions made after the onset of an emergency situation.
<b>Disbursements</b>	<ul style="list-style-type: none"> <li>Verify the request meets eligibility requirements before approving reimbursement.</li> <li>Reimbursement payment to the employee is used to cover eligible expenses.</li> </ul>
<b>Tax Benefit</b>	<ul style="list-style-type: none"> <li>Employer contributions are tax deductible as a business expense.</li> <li>Employee reimbursement funds are received as taxable income.</li> </ul>

### Additional Resources

We want to help! You don't need to be a TASC customer to call our hotline or download our helpful documents.

General questions on this benefit	Want to administer this account yourself	Want guidance for your benefits TPA?	Want to have TASC handle this benefit for you?
Call our Special Forces COVID-19 hotline:  Call 1-833-433-1002	Download our helpful How-To document: <a href="#">Get Started.</a>	Share our How-To document with your administrator: <a href="#">Get Started.</a>	Contact us to do all or part of this work effort for you:  1-888-595-2261, or <a href="#">Get Started.</a>



## Why TASC?

For more than 40 years, TASC has been a leader, an innovator, and a partner of employers committed to ensuring the health, wealth and well-being of their employees and their employees' families and community. TASC was a pioneer in assisting sole-proprietor farmers and small businesses save billions in tax dollars through the adoption of health reimbursement plans; challenging many ill-informed IRS auditors, accountants, and naysayers along the way. TASC, through FlexSystem, brought the idea of a Cafeteria Plans to large and small businesses; challenging the notion that such plans were burdensome, complicated and difficult to administer.

There from the beginning of Section 125, TASC has brought its knowledge and expertise forward with the idea that together we can improve lives of many, strengthen our communities, and make benefits feel like benefits. TASC understands that each employers circumstance is different. TASC offers its guidance based upon the wealth of its experience as an employer and as a benefits administrator. It is not legal or tax advice and should not be taken as such but is offered to prompt knowledgeable inquiry of your plan professionals and provoke thoughtful plan decision making.