



## HR Updates

by Insurance Marketing Center

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### Tax-Favored Accounts May Reimburse Certain COVID-19 PPE Expenses

The Internal Revenue Service has issued [Announcement 2021-7](#), clarifying that amounts paid for certain personal protective equipment (PPE)—such as **masks, hand sanitizer and sanitizing wipes**—used for the primary purpose of preventing the spread of coronavirus (COVID-19) are deductible medical expenses.

Amounts paid for COVID-19 PPE are also eligible to be paid or reimbursed under:

- Health flexible spending arrangements (FSAs);
- Archer medical savings accounts (Archer MSAs);
- Health reimbursement arrangements (HRAs); or
- Health savings accounts (HSAs).

However, if an amount is paid or reimbursed under any of the above accounts, or any other health plan, it will not be considered a deductible medical expense.

Group health plans (including health FSAs and HRAs) may be amended pursuant to the announcement to provide for reimbursements of expenses for COVID-19 PPE incurred for **any period beginning on or after Jan. 1, 2020**, if certain requirements are satisfied.

**HR News Alerts provided by:**

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