



HR Updates

by Insurance Marketing Center

March 30, 2021

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:

Insurance Marketing Center
1101 Wootton Parkway, Rockville, MD 20852
301-468-8888

Please Note: The information and materials herein are provided for general information purposes only and are not intended to constitute legal or other advice or opinions on any specific matters and are not intended to replace the advice of a qualified attorney, plan provider or other professional advisor. This information has been taken from sources which we believe to be reliable, but there is no guarantee as to its accuracy. In accordance with IRS Circular 230, this communication is not intended or written to be used, and cannot be used as or considered a 'covered opinion' or other written tax advice and should not be relied upon for any purpose other than its intended purpose.

The information provided herein is intended solely for the use of our clients and members. You may not display, reproduce, copy, modify, license, sell or disseminate in any manner any information included herein, without the express permission of the Publisher. Kindly read our Terms of Use and respect our Copyright.

Copyright © 2019 HR 360, Inc., All rights reserved.