

COVID-19: An unprecedented crisis

The COVID-19 situation is an unparalleled global event that is putting tremendous pressures on people, families, businesses and the economy at large. Many employers are looking for ways to financially support their employees through this crisis, including tax-advantaged disbursements for qualified disaster relief payments, post-tax emergency funds for additional critical expenses during COVID-19, or other forms of financial assistance.

Introducing the Employee Care Card

With the Employee Care Card, show employees how much you care by providing targeted financial assistance to address their needs during this challenging time. Options exist for both pre- and post-tax distributions of financial assistance. IRC Section 139 may allow employers to offer tax-free funds to employees for Qualified Disaster Relief (QDR) payments—as long as expenses are for reasonable and necessary personal, family, living or funeral expenses incurred as a result of COVID-19.*

Alternatively, employers can offer post-tax funds, targeting additional expenses which you feel are critical during this time or to promote employee wellbeing.

In both scenarios, you simply designate the amount you wish to contribute per employee and stipulate the allowed expenses. Employees get easy access to funds in the form of a convenient debit card—supported by an intuitive and easy-to-navigate online account experience.

* Employers should consult qualified legal/tax counsel for tax advice to determine if Section 139 is applicable.

More flexible than cash

During this time of financial hardship, distributing tax-free care funds through this method gives you added protection.

- **Use tax-advantaged funds for QDR payments.** With the Employee Care Card, QDR payments can be tax-free to employees and fully deductible to you as the employer.
- **Offer post-tax funds** for additional financial assistance and reward programs. Use post-tax funds to cover additional emergency expenses or to reward employees with wellness services, like gym memberships or fitness activities, once the virus is contained and life goes back to normal again.
- **Preserve unused funds.** Any funds not spent prior to when the card expires can be returned to you, the employer.
- **Control how the dollars are spent.** You control when and how the card can be used. This includes restricting purchases to specific merchant types, such as grocery stores or specific types of retailers. This ensures employees are using the funds for services that are deemed most critical.
- **Take the burden off internal resources.** This comprehensive solution includes tools and support to monitor balances by employee, track tax reporting and more.

How the Employee Care Card works

Powered by Alight's comprehensive benefits administration platform, this Employee Care Card program is supported by best-in-class payment capabilities designed to give you total control over how these dollars are spent:

- **Funding flexibility.** Prefund participant accounts with a predefined amount, making it easy for employees to access additional funds in this time of need.
- **Impose spending limits/controls.** Choose from a variety of Merchant Codes to best meet the needs of your employees.
- **Easily add more contributions.** Should the COVID-19 crisis become prolonged, employers can easily add more dollars to the card.
- **Real-time expense tracking.** Gain a real-time view into where and how employees are spending these dollars.

- **Intuitive and paperless experience.** Easy-to-navigate online experience ensures employees have easy access to the answers they need, such as their card balance. The card is activated when employees swipe their card at the approved merchants you select, and submitting receipts is not required.

Examples of assistance programs

Since you know your employees best of all, you determine what type of care they need most. These are only a few examples:

- **Grocery:** Employees can stock up on necessities to stay and work at home, including hand sanitizer, toilet paper, food and beverages.
- **Office supplies:** Employees can enhance their work-from-home environment for optimal productivity, i.e. home office set-up, internet, printer.
- **Education and childcare:** Parents may need additional funds due to school closings, including tutoring expenses and providing enriching activities to children who are home from school.
- **Healthcare:** In the face of a major healthcare crisis, supplement employee healthcare needs with additional dollars.
- **Utilities:** Help employees pay for critical home expenses that may increase as a result of working from home.
- **Clothing:** For those who are serving on the frontline to help others, a subsidy can come in handy to buy extra uniforms or work clothes.

Show employees you care

During trying times such as these, your employees may look to you for help and support. You can show them how much you care by delivering targeted financial support via a convenient and easy-to-use stored value card. With the Employee Care Card, you can administer your pre-tax and post-tax employee financial assistance programs with maximum flexibility and control.

Want to learn more?

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