



# 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/rewards.

## Introducing: The Employee Care Card

With the Employee Care Card, you can show your 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. IRS Section 139 allows you to offer tax-free funds to employees for qualified disaster relief payments, as long as expenses are for reasonable and necessary personal, family, living or funeral expenses incurred as a result of COVID-19. Alternatively, you can offer post-tax funds, targeting additional expenses you think are critical, or as a way to promote employee wellness.

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.

## 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 qualified disaster relief payments.** With the Employee Care Card, qualified disaster relief payments are tax-free to employees and fully deductible to you as the employer.
- **Offer post-tax funds for additional financial assistance and reward programs.** Outside of the COVID-19 disaster relief payments, use post-tax funds to cover additional emergency expenses or to reward employees with wellness services or fitness activities.
- **Preserve unused funds.** Unlike cash or gift cards, you only pay for what's used on the cards. Any funds not spent 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.** Much more than a gift card, 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 the industry's most comprehensive benefits administration platforms, this employee care card program is supported by best-in-class payment capabilities designed to give you total control over how your dollars are spent:

- **Funding flexibility.** Fund participant accounts in real time and to predefined amounts per employee.
- **Impose spending limits/controls.** Restrict spending to certain merchant categories, such as groceries or office supplies.
- **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 their care dollars.
- **Intuitive experience.** Easy-to-navigate online experience ensures employees have easy access to the answers they need, such as their card balance.

## Examples of Assistance Programs

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 toilet paper!)
- **Office supplies** – employees can enhance their work-from-home environment for optimal productivity
- **Education** – parents can occupy and provide enriching activities to children that are home from school
- **Healthcare** – in the face of a major healthcare crisis, supplement employee healthcare savings with additional dollars

## Show Employees You Care

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

**Call us at 206.812.1408 to learn more**

<https://bac.wealthcareportal.com/>

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