



UBA
Compliance Brief

What every HR leader should know
about compliance, *at a glance*



PPE as Section 213(d) Qualified Medical Expenses

1-Minute Read

The Internal Revenue Service (IRS) released [Announcement 2021-7](#) providing that amounts paid for personal protective equipment (PPE) such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of COVID-19, are qualified medical expenses under Internal Revenue Code Section 213(d). Therefore, these expenses are eligible for reimbursement from account-based plans, including health flexible spending arrangements (health FSAs), Archer medical savings accounts (Archer MSAs), health reimbursement arrangements (HRAs), and health savings accounts (HSAs). Note that if the expense is reimbursed under an account-based plan, it is not deductible for the taxpayer under Section 213 (no double benefit).

The IRS provides that group health plans, including health FSAs and HRAs, will need to be amended if the plans prohibit reimbursement of PPE. Group health plans may be amended to provide for such reimbursement of PPE expenses incurred for any period beginning on or after January 1, 2020. Such an amendment must be adopted no later than the last day of the first calendar year beginning after the end of the plan year in which the amendment is effective. The amendment can have a retroactive effective date (unless it is adopted after December 31, 2022) if the plan is operated consistent with the terms of the amendment beginning on the effective date of the amendment. The IRS provides that the amendment will not cause plans to fail the Section 125 cafeteria plan requirements.

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You should not act on this information without consulting legal counsel or other knowledgeable advisors.