



# 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 like gym memberships 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.