



EMERGENCY RESPONSE BENEFITS

UNIVERSAL BENEFIT ACCOUNT®

Employee Crisis Fund Account: Inside a 501(c)(3)

What is the Employee Benefit?

An Employee Crisis Fund lets employees (and the employer, if desired) donate money to other employees struck by a personal hardship or crisis. This version is tax-advantaged (IRS restrictions apply) meaning all funds going out of the account are tax-free and all funds contributed into the account are tax deductible. Per Section 139 of the Internal Revenue Code (IRC) and the federal declaration of a state of emergency, all funds granted to an employee as a result of a pandemic or personal hardship are tax-exempt.

Employees apply to receive grant monies from their employer through the Crisis Fund Account. If approved, the employer initiates disbursement of those funds to the employee to be used for personal purchases.

Things to Know:

Plan Design	Employers determine who gets the funds and when (defining the qualifying events to request). There are guidelines to follow in the tax code in setting the criteria to qualify for grants, such as how much to grant and what qualifies as a personal hardship.*
Eligible Expenses	The employer determines the types of expense that can be covered. These expenses must be reasonable and necessary and can include personal, family, living, or funeral expenses incurred as a result of a qualified disaster but not compensated by insurance or another source. Typically, once the funds are disbursed, the employer does not restrict the expenses allowing the recipient to use the funds for any qualifying expense deemed necessary.
Limits	Employers set plan year limits such as a maximum amount to be reimbursed to an employee for the year.
Eligibility Requirements	Any employee is eligible to participate and apply to receive a grant from the crisis fund.
Funding	Employer and employee funded
Enrollment	Employees can be enrolled at any time by the employer upon approving an employee for a grant.
Disbursements	Once an employee's application is approved and funds granted, the employee will receive funds in their crisis account to be used for any type of qualified purchase or expense.
Tax Benefit	No federal tax implications to the employee or the employer if the grant fits the definition of a crisis or hardship in the Internal Revenue Code.

* The grant must fit the definition of a crisis or hardship according to the IRC, Section 139, to receive tax-exempt status.

Get started today!

We are ready to help you offer this helpful benefit. Just contact us today via one of the methods below.

Want to have TASC handle this benefit for you?

Fill out this form and we'll contact you:

[Get Started.](#)

Contact us to do all or part of this work effort for you:

1-888-595-2261

