

Temporary Changes to Health and Dependent Care FSAs for 2020 and 2021

The Consolidated Appropriations Act 2021, which includes the most recent COVID-19 relief package, offers several temporary changes to health and dependent care flexible spending accounts (FSAs). The University has chosen to adopt these temporary changes.

Grace Period Extension

The Act allows extension of the grace period for 2020 and 2021 FSA accounts (both health care and dependent care) until December 31 of the following year. Specifically, you can use your 2020 FSA funds on expenses through to December 31, 2021, and funds in your 2021 FSA account(s) can be used on expenses through to December 31, 2022. Keep in mind that your debit card cannot be used for reimbursement of expenses from prior year FSA funds. Reimbursements from the prior year's FSA account must be requested via the [Meritain Health Reimbursement Request Form](#) or online through your account at [Meritain.com](#).

In addition, if you stopped your contribution to a health care FSA during open enrollment or at any other time during 2020, you will still be able to use the funds in your 2020 account to reimburse yourself for eligible expenses until the end of the extended grace period, i.e., December 31, 2021.

Election Changes

Ordinarily, your Benelect dependent care FSA election is irrevocable during the plan year, unless you experience an IRS-approved status change event such as marriage, divorce, birth, death, or change in employment status. The Act temporarily permits the University to allow participants to make prospective mid-year election changes to dependent care FSAs (*i.e.*, to elect an account, increase or decrease contributions, or drop an account) for plan year ending in 2021 for any reason. Keep in mind that these changes can only be made prospectively – no retroactive changes are allowed.

Carry Forward for Aged-out Dependents in Dependent Care FSAs

The Act also includes a carry-over rule for dependents who aged-out of a dependent care FSA during calendar year 2020. Typically, dependent care expenses are only eligible for reimbursement if the expense relates to care of dependent children age 12 and under, the Act however increases the maximum age limit for reimbursement of dependent care expenses from age 12 to age 13 for calendar year 2020 only.