

## Dependent Care FSAs: Special Enrollment Period for Contribution Limit Increase

To Our Faculty and Staff:

As we noted in our email of April 12, those of you with dependent care flexible savings accounts (FSA) will be able to increase your pre-tax contributions under a provision of major [federal legislation](#) enacted last month.

The American Rescue Plan Act allows employers to adjust their benefit plans this year to accommodate a new contribution maximum of \$10,500 for single individuals or married couples filing jointly—an increase of \$5,500 over the existing limit. Those who want to increase their contributions to take advantage of the full \$5,500 limit expansion in 2021 should indicate their wishes during a special enrollment period starting **Monday, May 3**, and continuing through **Friday, May 14**. Any changes made will take effect May 1. This special May enrollment period is the **only** time you can take advantage of the entire \$5,500 limit expansion.

You can access the [Special Enrollment form](#) on the university's Human Resources website now through May 14. Once you complete the form, you can email it as an attachment to [AskHR@case.edu](mailto:AskHR@case.edu), fax it to 216-368-3582, or drop it off in person at the HR Service Center in Room 320 of Crawford Hall. The form must be submitted no later than **Friday, May 14**.

As you may recall, dependent care FSA choices (e.g. to enroll or not, and if so, at what amount) typically cannot be changed once established for that benefit year—in our case, the year runs from Jan. 1-Dec. 31—unless you experience a significant life event or change employment status. The American Rescue Act provides this one-time mid-year exception because of the dire or economic consequences resulting from the pandemic.

Keep in mind that these changes authorized under the CARES Act can only be made prospectively – no retroactive changes are allowed. In addition, changes must follow “safe harbor” provisions – the maximum monthly contribution must be no more than 1/12<sup>th</sup> of the annual maximum. To contribute the entire \$5,500 limit expansion, you must enter a new annual election of \$10,500 (unless married filing separately, when the amount is \$5,250) on [the form](#) during the Special Enrollment period **May 3-May 14**. Finally, employees who participate in this option should be aware that any amounts remaining in the account after of Dec. 31, 2021, cannot be used during the typical 2022 grace period.

Those with questions can submit them via email at [AskHR@case.edu](mailto:AskHR@case.edu).

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