

Group News

Understand the new FSA and DCA options in the latest COVID-19 relief act

The recent Consolidated Appropriations Act offers more options for flexible spending accounts (FSAs), including Limited Purpose FSA, and dependent care accounts (DCAs) for participating Groups. We want you to be aware of these changes so you can help clients understand them. We'll email your clients about them and include a DocuSign form where they can select their options.

Key options include:

- Amending FSAs and DCAs to allow a carryover of unused money from 2020 into 2021 and from 2021 into 2022.
- Longer grace periods for flexible spending accounts for plan years ending in 2020 or 2021.
- Accounts can reimburse individuals who are no longer an active participant in the plan.
- Employers can raise the last eligible age for children's dependent care from 13 to 14 for the 2021 plan year.
- Employers can amend plans to permit a change in election amounts for health and dependent care accounts ending in 2021 without a change in status or qualifying event.

These options are designed to help your clients' employees respond to the unexpected changes caused by the pandemic.

Please contact your sales representative for more information.

State(s): CA, CO, CT, GA, IN, KY, ME, MO, NH, NV, NY, OH, VA, WI

Segment(s): Large Group