

The Consolidated Appropriations Act, 2021

March 10, 2021

Additional temporary relief for Flexible Spending Arrangements related to the COVID-19 pandemic was included in the Consolidated Appropriations Act (CAA), 2021 approved by Congress. At the Employee Benefit Plan Council (EBPC) meeting on March 9, 2021, an amendment to the Flexible Spending Account (FSA) Summary Plan Description (SPD) was approved enacting portions of the relief for the State of Georgia's Flexible Benefit Program.

The amendment provides temporary COVID-19 relief for Health Care Flexible Spending Account (HCFSA) and Dependent Care Flexible Spending Account (DCFSA) participants. The FSA SPD and amendment are available to view in GaBreeze and on the Department of Administrative Services/Human Resources Administration website, <http://doas.ga.gov/human-resources-administration/employee-benefits-information/flexible-benefits/flexible-benefits-resources>, under Flexible Benefits. The relief provisions adopted under the amendment are described below.

Extended Grace Period:

An extended grace period of 12 months for plan years ending in 2020 and 2021 was adopted for both the HCFSA and DCFSA with respect to unused benefits or contributions remaining in either arrangement. This change extends the March 15, 2021, Health Care FSA grace period for the 2020 calendar year plan year to December 31, 2021, effectively allowing participants in both the HCFSA and DCFSA until December 31, 2021, to incur and submit claims against their 2020 plan year balances. Furthermore, the Grace period for the 2021 Plan year is extended until December 31, 2022.

Spend-Down for HCFSA and/or DCFSA:

An employee who ceases participation in the HCFSA and DCFSA plans during calendar year 2020 or 2021 (for example, due to termination of employment) may continue to receive reimbursements from unused benefits or contributions for expenses incurred through the end of the plan year in which such participant ceased participation (including any extended grace period).

Prospective Changes in Elections (Without a Change in Status):

For plan years ending in 2021, employees participating in the HCFSA or DCFSA are permitted to make an election to prospectively modify (change, revoke an election, and make a new election) the amount (but not in excess of any applicable dollar limitation) of such employee's contributions without regard to any change in status. Note: HCFSA and DCFSA mid-year election changes will be limited to amounts no less than amounts already reimbursed or year-to-date contributions.

Special carry forward rule for Dependent Care FSA where dependents aged out during the pandemic.

Under this special rule, an “eligible dependent’s age” is increased from less than 13 years of age to less than 14 years of age, allowing participants to use balances in their 2020 DCFSA, if the participants were enrolled in Dependent Care FSA on or before January 31, 2020 and the dependent turned 13 in 2020. For Plan Year 2020 and Plan Year 2021, eligible Dependent Care expenses incurred up until the dependent turns 14 can be submitted for reimbursement.

Only the amounts not used during Plan Year 2020 are applicable for plan year 2021.

A FAQ about the CAA changes is posted on the DOAS website under COVID 19 Response using this path: www.doas.ga.gov > COVID 19 Response > HR Administration > FAQs > FSA CAA FAQ. Please share this information with your FSA participants. HealthEquity/WageWorks, the FSA Plan Administrator will be sending an email to FSA plan participants about the CAA changes. If an email address is not available, the communication will be mailed to the participant’s address.

The provisions outlined above are effective immediately. Eligible participants wanting to enroll and/or make changes to their Flexible Spending Account(s) should contact GaBreeze Benefits Center at 1-877-342-7339 (toll-free, Monday – Friday, 8:00 am – 5:00 pm, ET). Changes made to participants’ Flexible Spending Accounts will be effective the first of the month after the requests are made to GaBreeze.

Please contact the Department of Administrative Services, Flexible Benefits team at 404-656-2705 or hraflexbenefits@doas.ga.gov if you have any questions.