

TO: UMMS Employees

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People Strategy
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SUBJECT: Changes to UMMS Flexible Spending Account

In response to the ongoing COVID-19 pandemic, the IRS recently released the Consolidated Appropriations Act with updated guidelines for the Flexible Spending Account (FSA). The new guidelines allow the UMMS FSA enrolled participants greater flexibility and opportunity to use all or most of their funds that were contributed.

The UMMS FSA plans will have the following changes for FY2020 and FY2021:

Impact to the FY2020 (07/01/19-06/30/20) Plan Year

HCSA and DCAP Benefits

- The deadline to incur expenses has been extended.
- Participants will now have until 06/30/21 to use their 2020FY funds for eligible services received through 06/30/21.
- Participants will now have until 7/31/21 to submit those claims for reimbursement.

DCAP Only – Dependent Age Allowance

- Participants with an available balance that have dependents age 13 will now be able to submit expenses to spend down their available balance.
- As a reminder: virtual day camps are **not** an eligible expense.

Impact to the Current FY2021 (07/01/20-06/30/21) Plan Year

HCSA and DCAP Benefits

- Election changes will be permitted for both plans on a prospective basis only without a qualifying event.
- This means that changes cannot be backdated up to 60 days without a corresponding qualifying event.
- If the participant has experienced a qualifying event, current rules apply. He/she will need to submit the Status Change Request form within 60 calendar days of the event.

Key FSA Dates

2020 Plan Year

- **Plan Year:** July 1, 2019 – June 30, 2020
- **Incur eligible claims:** Use 2020FY funds for services through June 30, 2021
- **Claim filing deadline:** July 31, 2021
- **Dependent age allowance (DCAP Only):** FY 2020, submit expenses for dependent age 13

2021 Plan Year

- **Plan Year:** July 1, 2021 – June 30, 2021
- **Election Changes:** Permitted on future basis (60 days' back to notify does not apply)
- **Election Changes Due to Qualifying Event:** Current rules of 60 days to notify

For any questions, please send an email to benefits.umms@umassmed.edu or call (508) 856-5260, Option 1.