



Important Announcement

TO: All Health Care and Dependent Care Flexible Spending Account (FSA) Participants

SUBJECT: Temporary FSA Changes Allowed due to Federal COVID-19 Relief Bill

The Consolidated Appropriations Act 2021, signed into law at the end of 2020, gives employers the ability to make short-term changes to Flexible Spending Accounts (FSAs). In accordance with this Act, the City of Boston will adopt the following provisions:

- **Temporary extension of grace periods for Dependent Care and Health FSAs.**
 - Allows active participants to use their remaining 2020 contribution balance up until 12/31/2021, instead of the two and a half month standard grace period.
- **Temporary flexibility regarding mid-year election changes to Dependent Care and Health FSA elections.**
 - Allows active participants to make one prospective change to their 2021 elections, without regard to any change in status. Normally, mid-year election changes are only permitted for status-change events.
- **Temporary increase of the maximum age of eligible dependents for use of Dependent Care funds.**
 - Allows active participants reimbursement of otherwise eligible dependent care expenses for children who attain age 14 (instead of age 13), during the 2021 year.

Questions?

Contact Cafeteria Plan Advisors (CPA) at info@cpa125.com or 781-848-9848.