

Special Alert from MD Department of Budget & Management:

Dependent Care Flexible Spending Account Changes

As each of you know, COVID-19 has resulted in a number of lifestyle changes including closed daycare facilities, unnecessary before and after-school care, or even a new need for daycare. These changes have generated a lot of questions regarding Dependent Care Flexible Spending Accounts, which we have attempted to address below.

Dependent Care Flexible Spending Accounts (DCFSA) are defined under Section 129 of the IRS Code. The Code includes a Change in Cost or Coverage provision that may be valuable to our plan participants.

For our participants who have experienced either a reduction in cost or a new need for Dependent Care, they are eligible to process a change to or elect a DCFSA. Participants should take a few minutes to determine the impact to annual costs as the plan runs through December 31, 2020 and is subject to the IRS Maximum of \$5,000 (\$2,500 if married, filing separately).

Changes must be processed through Workday and require approval by the Employee Benefits Division. We have temporarily removed supporting documentation requirements for this benefit change.

We have updated the job aid for this temporary change in the event which is titled, Life Event-Change Dependent Daycare FSA (COVID-19), and can be found at: https://dbm.maryland.gov/sps/Pages/Benefits_HelpCenter.aspx.

If you have any questions or need assistance in changing/enrolling in DCFSA, please contact Kristan Thomas at kathomas@smcm.edu.