

## INFORMATION SHEET: Mid-Year FSA Changes

We are excited to announce that we have implemented some valuable changes to our FSA Plan(s) as per the COVID-19 Relief Bills (a.k.a., the Consolidated Appropriations Act and American Rescue Plan Act). Please read further to learn what is available under each FSA plan for the plan year 2021.

Once you read through the opportunities and options below, please feel free to contact TASC at 800-422-4661 if you have any questions on your current accounts.

### To enroll or make changes:

- 1) Send an email to HR at [hr@lafilm.edu](mailto:hr@lafilm.edu) with the information needed to achieve your goal. Some examples are:
  - a. I would like to enroll the healthcare plan at \$50/paycheck
  - b. I would like to increase my bi-weekly deduction to my healthcare plan by \$50/paycheck.
  - c. I want to increase my dependent care annual goal to \$7000/year.
  - d. I want to cancel my healthcare plan and keep my dependent care plan.
- 2) HR will see to it that the changes are implemented.

A brief summary of the changes follows below:

### ❖ **Increased Contribution Limit for Dependent Care FSA** (up to \$10,500 for 2021)

Your Dependent Care FSA Plan now allows you to elect up to \$10,500 for the 2021 calendar year. This is more than double the standard limit of \$5,000 per couple/\$2,500 single, which also doubles a family's average tax savings to \$200 a month! If you have already made your 2021 elections, you are able to change your elections to increase your pretax contributions up to the new limit.

*An updated Summary Plan Description (SPD) will be available to you later this year.*

### ❖ **Unrestricted Midyear Elections and Enrollment (HFSA and DCFSA)**

The Act also allows existing plan participants to **change their 2021 plan elections** (on a prospective basis—not retroactively) at any time without requiring a change in status. This means you can adjust elections to better align with your actual qualifying expenditures during the plan year in order to avoid having more plan contributions than you'll need.

Amounts contributed to an FSA after a revised election can be used for eligible expenses incurred during the first plan year beginning on or after January 1, 2021, even if the employee was not enrolled in the FSA on January 1, 2021.

Note: plan elections must always be made within the plan's annual contribution limits which for the Healthcare Reimbursement Plan is \$2750/year.

### ❖ **Grace Period Extension** (up to 12-months after plan year end, as specified by employer)

Great news! Your Healthcare/Dependent Care Flexible Spending Account (FSA) Plan now offers a 12-month Grace Period to spend your unused 2020/2021 contributions.

This temporary allowance is part of the latest COVID-19 relief bill (the Consolidated Appropriations Act, 2021) designed to give you more time to incur and pay for eligible expenses from your remaining FSA

balance against the just-ended plan year. With more time to use your funds, the risk of forfeiting unused funds at the end of the plan year is reduced.

Where participants can see the Grace Period change in their benefit account:																
	WEB PORTAL	MOBILE APP														
1) Click on the applicable FSA benefit from home page:	Same screen images as above under Carryover.															
2) Scroll down to Account Summary and find “Last day for spending” and “Last date for submitting expenses” – these are your Grace Period end dates as set by your Plan.	<p>ACCOUNT SUMMARY</p> <table> <tr> <td>Plan start date</td> <td>01/01/21</td> </tr> <tr> <td>First day for spending</td> <td>01/01/21</td> </tr> <tr> <td>Plan end date</td> <td>12/31/21</td> </tr> <tr> <td>Last day for spending</td> <td>12/31/22</td> </tr> <tr> <td>Last day for submitting expenses</td> <td>01/01/23</td> </tr> <tr> <td>First paycheck deduction</td> <td>01/08/21</td> </tr> <tr> <td>Paycheck deduction frequency</td> <td>Bi-weekly (26)</td> </tr> </table>	Plan start date	01/01/21	First day for spending	01/01/21	Plan end date	12/31/21	Last day for spending	12/31/22	Last day for submitting expenses	01/01/23	First paycheck deduction	01/08/21	Paycheck deduction frequency	Bi-weekly (26)	
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**How Grace Period Works:**

The Grace Period is a specified period of time immediately following the last day of the plan year to allow participants to use up their remaining FSA balances on eligible expenses incurred during the new plan year and during the grace period (to spend down the old balance).

Your plan also includes a **Runout Period**, which begins on the first day of the new plan year. During the runout period, participants can be reimbursed for expenses only incurred in the previous plan year. The runout and the Grace Period run concurrently. Once the runout ends, the Grace Period will continue through the dates indicated in the below table.

TASC (our plan administrator) will reimburse requests based on the date of service -- spending down fund balances in the previous plan year first, and then turning to funds available in the current plan year (if re-enrolled in the plan).

To learn more about the value of a Grace Period, please view the [Grace Period education flyer](#).

*An updated Summary Plan Description (SPD) will be provided to you later this year.*

❖ **Dependent Age Limit Increased to age 14 (DCFSA)**

The latest COVID-19 relief bill (the Consolidated Appropriations Act, 2021) includes a provision that increases the age limit for dependent children covered by the Dependent Care FSA Plan. The new age limit is “up to age 14” (formerly “up to age 13”) for the purposes of receiving reimbursements from funds carried over from the previous plan year. This means, for any dependent child that aged out (turned 13) during the calendar year 2020, the plan participant may receive reimbursement in calendar year 2021 until the child turns 14.

To learn more about the qualifications to participant in a Dependent Care FSA, please refer to the [Dependent Care Qualifications Flyer](#).

### ❖ **Post-Termination Reimbursements (HFSA)**

Should you discontinue your participation in the Healthcare FSA Plan in 2020/2021, you may still incur expenses and receive reimbursements from your unused contributions through the end of the plan year in which your participation ceased.

Please feel free to contact TASC at 800-422-4661 if you have any questions on your current accounts. If you'd like to make changes to your 2021 FSA elections, please email the LA Film School HR team at [hr@lafilm.edu](mailto:hr@lafilm.edu)