

Flexible Spending Account (FSA) Amendments

Per the Consolidated Appropriations Act and American Rescue Plan Act



The Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA) extend many relief measures that were created by the Families First Coronavirus Response Act (FFCRA) and the Cares Act. The CAA and ARPA provide temporary relief for Medical FSAs, Dependent Care FSAs, and Limited Purpose FSAs. Employers are not required to apply these amendments; however, they can be used to provide employees with additional flexibility.

Election Changes

Employers may revoke an election, make a new election, or increase or decrease an election in 2021 without the need for a qualifying event. These changes may only be made on a prospective basis, and employers should consider limiting the period allowed to make such changes.

12-Month Extended Grace Period

This option extends grace periods to a full 12 months. For example, if you have an existing FSA or Dependent Care FSA with the plan year from January 1, 2020 to December 31, 2020 and you already offer a two-and-a-half-month grace period, your employees will be able to use the FSA funds through March 15, 2021. If you elect to implement the 12-month extended grace period, FSA funds will be available until December 31, 2021.

Extended Rollover

While rollover is not typically offered for Dependent Care FSAs, it will be allowed for plan years ending in 2020 and 2021. Your employees may need to adjust their 2021 contributions as maximum contributions for Dependent Care FSAs set by the Internal Revenue Service still apply.

How this affects your employees with a Medical FSA or Limited Purpose FSA is determined by your 2020 and 2021 plan year set up per your Spending Accounts Application (Section 8). If you do not currently offer rollover, you may want to consider allowing rollover until FSA rollover dollars are exhausted for the 2020 and 2021 plan years.

Please note that employers may choose the grace period or rollover option, but not both. Additionally, employers can add rollover or grace period if they currently do not have it, but they can't switch between the two. When deciding to go with the grace period or rollover option, you can use the Wealthcare Administration System (WCA) to access unused employee funds from the 2020 plan year by running an Enrollee Account Balance report. This information can also be requested from your MVP Account Manager.

Dependent Care FSA Modification

Electing this option would allow for reimbursement of expenses in 2021 incurred for a child who turned 13 years old during the 2020 plan year. This would help those individuals who did not use funds because their school or daycare was closed in 2020. This option is only available to Dependent Care FSAs ending in the 2020 plan year and employers must notify eligible employees of this change.

Medical FSA Spend Down

Employees who became terminated/ineligible to participate in a Medical FSA during the 2020 plan year can continue to receive reimbursements from unused contributions through the end of the 2021 plan year. These individuals will need to submit claims manually; the MVP CareFund debit card can't be used for these reimbursements. MVP's FSA Claim Form can be supplied to individuals for more information. Additionally, the employer must send terminated/ineligible employee information to the MVP Spending Accounts Team via email at myspendingaccounts@mvphealthcare.com.

If this option is elected, terminated/ineligible employees will continue to be included in monthly Enrollee Account Balance reports in the WCA and shown as "active" during the spend down period. The employer will still be charged a monthly administration fee for the entire plan year of spend down for these individuals.

2021 Dependent Care FSA Limits

Employers may choose to increase the annual Dependent Care FSA limits for pre-tax contributions. The ARPA allows for up to \$10,500 for individual taxpayers and married couples filing jointly and up to \$5,250 for married individuals filing separately. The higher limits apply to plan years beginning after December 31, 2020 and before January 1, 2022.

To make changes to your Medical FSA, Dependent Care FSA, or Limited Purpose FSA, please complete the FSA Amendment Form for Employers and return it to your MVP Account Manager.

FSA Amendment Form for Employers

MVP Spending Account Services



Section 1: Company Information *(print)*

Company Name		Tax ID No.	Plan Year Effective Date	
Company Street Address		City	State	Zip
Company Contact name	Phone Number	Email		

Section 2: Flexible Spending Account (FSA) Amendments

Election Changes

- Check this box to allow employees to revoke an election, make a new election, or increase or decrease an election on a prospective basis, then provide limitations on the lines below (i.e. period to make changes).

Apply to: Medical FSA Dependent Care FSA Limited Purpose FSA

12-Month Extended Grace Period

- Check this box to extend the grace period for the 2020 and/or 2021 plan year from two and a half months to 12 months, then select the plan year and what accounts you want the change applied to.

Plan Year: 2020 2021

Apply to: Medical FSA Dependent Care FSA Limited Purpose FSA

Extended Rollover

- Check this box if all unused funds in an FSA may be rolled over, then select the plan year and what accounts you want the change applied to.

Plan Year: 2020 2021

Apply to: Medical FSA Dependent Care FSA Limited Purpose FSA

Dependent Care FSA Modification

- Check this box if you would like to allow unused Dependent Care FSA funds to be used for children up to the age of 14 through the 2021 plan year.

Medical FSA Spend Down

- Check this box if you would like to allow employees who stopped participating in a Medical FSA during the 2020 plan year to continue to receive reimbursements from unused contribution through the end of the 2021 plan year.

Dependent Care FSA Contribution Limits

- Check this box if you would like to increase Dependent Care FSA contribution limits for your employees to \$10,500 (for single taxpayers and married couples filing jointly) and \$5,250 (for married individuals filing separately) during the 2021 plan year

If you have requested to have MVP provide updated plan documents, we will provide a Summary of Materials Modification within the required timeframe once the above changes have been processed.

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Company Name

Tax ID No.

Section 3: Authorization

I hereby certify that the statements made are true and complete to the best of my knowledge and belief.

Unless otherwise prohibited by law, I consent to the receipt of electronic communications related to my MVP health plan at the email address I provided. I have read and agree to the details outlined in MVP's Electronic Disclosure, which is available at mvphealthcare.com or by calling MVP at **1-800-TALK-MVP** (825-5687).

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

I have read and agree to this authorization.

Name (print)

Title

Company Contact Signature

Date
