

—SPS ALERT—

Special Alert 144:

Special Alert for ABCs, March 24, 2020

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. If you, as an ABC, have received a transaction that was “missing” the documentation, please advise us through EBD.Mail@Maryland; our team will cancel the event and ask that you contact the participant to submit a new event. The new event will not require documentation.

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

Employees

⊕ Accessing SPS	
⊕ Viewing Benefits Related Information	
⊕ Completing Enrollment Events and Life Changes	
Job Aid	Quick Reference Guide (QRG)
 How to Access Enrollment Events From your Inbox	QRG
Initiate Life Event	QRG
 Life Event - Change Dependent Daycare FSA (COVID-19)	QRG
Change Benefit Elections	QRG

Here are some FAQs that may assist ABCs with any additional questions:

Can a Dependent Care FSA election amount be changed?

Changing election amounts during the plan year is not allowed unless you experience a permitted election change (e.g., marriage, death of a spouse or dependent, birth or adoption of a child) **or you experience a change in cost from the dependent day care provider.**

What if my daycare provider is closed due to the declared State of Emergency as a result of COVID-19?

If the closure has reduced your costs to a lower amount or no charge, you are eligible to change the annual deferral to an amount **greater than or equal to the amount deducted to date.**

Due to the COVID-19 State of Emergency, we now need dependent day care. Can we enroll in the Dependent Care FSA at this time?

Yes, a need for dependent care not previously required is considered a change in cost and creates an opportunity to enroll in the Dependent Care FSA. If you expect this need to be temporary, calculate the expected cost being mindful, Workday will calculate the per pay cost through December 31, 2020.

How do I process a change to or elect a Dependent Care FSA?

The change should be processed in Workday using event: Employee: Change in Dependent Daycare. Employees can use the job aid for this event: https://dbm.maryland.gov/sps/Pages/Benefits_HelpCenter.aspx

The event will be reviewed and presuming it meets IRS requirements, approved by the Employee Benefits Division.

Questions should be directed to EBD.Mail@Maryland.gov
