

UPDATED: Opportunity to Make Mid-Year Election Change From April 12, 2021 through April 30, 2021.

- Please review the handbook before enrolling or making any changes.
 - After reviewing the handbook, please read the Important Benefits Information: FSA Plan Changes Below.
- To change your election or start participating in the 2021 FSA Plan, please complete the 2021 Mid-Year FSA Election Change Election Form. **The form should be scanned and uploaded to the CBIZ (Pension Dynamics) secure website <https://secure.pensiondynamics.com/>.**
- 2021 Mid-Year FSA Election Change Election Form is located on page four of the attached Announcement and on the last page of the FSA Handbook
- **For plan information/clarification assistance, please contact CBIZ.**
- CBIZ acquired pension Dynamics; however, the same team is here to assist you with your account. You can continue to contact them directly by phone at (925)956-0514 or email at PHCBenefits@cbiz.com for assistance with your account.

Important Benefits Information: FSA Plan Changes



To provide pandemic relief, recent federal legislation (the Consolidated Appropriations Act of 2021) included allowances for employers to make optional changes to Flexible Spending Account (FSA) rules. Peralta Community College District is allowing the following changes to our Healthcare and Dependent Care FSAs.

These changes are effective January 1, 2021 and will remain in effect as noted below.

Opportunity to Make Mid-Year Election Changes: April (12th - 30th), 2021

Previously, changes to FSA election after open enrollment are only allowed if you experienced an eligible change in status, such as a change in marital status or number of dependents. Temporarily, for our plan year ending December 31, 2021, this requirement has been relaxed. **From April 12, 2021 to April 30, 2021 you can prospectively make some changes to your contribution without regard to any change in status.** Note that you cannot stop or decrease your contributions below the total amount already disbursed. Refund of previously contributed amounts is not allowed.

For Healthcare FSA Only

Carry Over 100% of Unused Balance

- In the past, the Healthcare FSA allowed up to \$550 (as indexed for 2020) of unused funds to carry over to use in the following year; any excess balance would be forfeited. Due to the recent Act, the cap on the carryover amount has been removed. 100% of unused Healthcare FSA balances may carry over from the plan year ending in 2020 to the plan year ending in 2021 and from the plan year ending in 2021 to 2022 plan year. Carrying over a balance does not affect your enrollment for a subsequent year. You will still be allowed to contribute up to the maximum contribution limit set by the IRS.

EXAMPLE

Maria enrolled in the Healthcare FSA for 2020. She had \$700 left in her account at the end of the year. She is able to carry over the entire balance to use in 2021. Maria expects higher healthcare expenses in the coming year, so she elected to contribute \$2,750 to her FSA for 2021, for a total of \$3,450 in her account. If she does not use that entire amount in 2021, she will be allowed to carry over all of her remaining balance to use in 2022.

For Dependent Care FSA Only

Grace Period Extended to 12 Months

- Peralta to allow the change for the 2020 plan year. The grace period is an extra amount of time after the end of the plan year that participants have to incur expenses reimbursable by the **Dependent Care FSA**. The grace period is being extended from 2 ½ months after the end of the plan year to 12 months after the end of the plan year with respect to unused benefits or contributions for a plan year **ending in 2020**.

EXAMPLE

Sam enrolled in the 2020 Dependent Care FSA for January 1 – December 31, 2020. Due to the pandemic, Sam's child care expenses were less than he expected, and he had \$1,000 left in his FSA at the end of the year. Sam may continue to use the \$1,000 balance in his FSA to get reimbursed for eligible dependent care expenses incurred through December 31, 2021. Any balance remaining at the end of the 12 month grace period will still be forfeited.

Dependent Care FSA Contribution Limit

Contribution Limit Increase to \$10,500 in Plan year 2021.

Dependent Maximum Age – For Dependents who “Aged Out” During the Pandemic

- The maximum age for eligible dependents is temporarily extended from “under age 13” to “under age 14”. If you participated in the Dependent Care FSA during the 2020 plan year, AND your dependent(s) turned 13 between January 1 – December 31, 2020, you may continue to receive reimbursement from your Dependent Care FSA for their eligible expenses. You may continue to use any carryover balance for their care until they reach age 14, at least through the end of the 2021 plan year.

EXAMPLE

Alex enrolled in the Dependent Care FSA for the plan year effective January 1 – December 31, 2020. He elected to contribute \$2,500 for before and after school care for his daughter. The pandemic caused temporary changes in the family schedule, and Alex spent less than he anticipated on care in 2020, resulting in a \$1,200 balance in his FSA. Even though his daughter turned 13 on August 11, 2020, due to the age extension, Alex can continue to use his FSA balance to pay for his daughter’s care until she turns 14 in 2021.

This email constitutes a Summary of Material Modifications (SMM) to Peralta Community College District’s Flexible Spending Account. This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description (“SPD”) previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.



2021 Mid-Year FSA Election Change Form

The CARES Act from 2020 allows for mid-year changes on Flexible Spending Accounts (FSA) to elect or stop existing FSA elections. This means that eligible Peralta Community College District employees can choose to elect into or opt out of an existing FSA or increase or decrease a current FSA election – without a qualifying life event.

Company name: **PERALTA COMMUNITY COLLEGE DISTRICT** Company code: **BIS-04934**

Employee name: _____ Social Security Number: _____

Employee address: _____

Effective date of Payroll Change: May 31st 2021. If terminating, date of last deduction _____

Please change my election(s) as follows:

Medical Reimbursement: Change my annual election for my Medical Reimbursement from \$ _____ to \$ _____

Dependent Care Flexible Spending Account:

Change my annual election for my Dependent Care Flexible Spending Account from \$ _____ to \$ _____

Employee signature: _____ Date: _____