Dear Dependent Care FSA Participant,

Human Resources has chosen to adopt the below temporary changes related to Dependent Care Flexible Spending Accounts (DCFSAs) as of a result of the American Rescue Plan Act. This act allows Dependent Care FSA participants to increase pre-tax dependent care contributions for 2021 only. A DCFSA account can be used to pay for eligible dependent care services, such as preschool, summer day camp, before or after school programs, and child or adult daycare.

INCREASED PRE-TAX DEPENDENT CARE CONTRIBUTION LIMITS

Employees may increase their dependent care contributions up to the maximum annual amount of $10,500 ($5,250 for individuals married filing separately). At this time, the increased limit only applies to plan year 2021. Previously, the dependent care contribution limit was $5,000 ($2500 for individuals married filing separately) per calendar year.

ELECTION CHANGES

• The act temporarily allows participants to increase their dependent care contributions for plan year 2021.

• You may only increase your 2021 annual election once during the plan year without a corresponding change in life status event.

• Changes in deduction amounts will be effective the first pay period following the receipt of your election change. The final deadline for submitting changes to your 2021 FSA deduction amounts is November 2021, with the change effective for December 2021 paychecks.

• New enrollment into the plan is only permitted with a qualifying life status change.

• This act is separate from the Consolidated Appropriations Act of 2021 we recently communicated about. More information about how the Consolidate Appropriations Act of 2021 affects your FSA can be found here.

To change your current FSA contributions, please send your request to Human Resources at benefits@luc.edu.
In each plan year, certain qualified changes in life status events may provide an opportunity in which you may start or stop participating, or change the amount of your FSA contribution during the plan year. Contact Human Resources at benefits@luc.edu no later than 31 days from the effective date of qualified life status event (loss of coverage, birth of child, etc.).

Thank you for reviewing this information. If you have questions please contact Human Resources at benefits@luc.edu or 312-915-6175.