



April 2021

2020-21 Dependent Care Flexible Spending Account (DCFSA) Grace Period

In an effort to meet the needs of our employees during these extraordinary times, the Commonwealth is adding a Grace Period to the 2020-2021 DCFSA Plan year (7/1/20-6/30/21), which will extend the period to incur claims under the DCFSA until October 31, 2021. The Health Care Flexible Spending Account will NOT have a Grace Period for the 2020-2021 plan year.

FAQs below related to the DCFSA Grace Period will also be included on the DHRM website 2021 Open Enrollment page.

DCFSA Grace Period Q & A

Q1. What is a Grace Period?

A1. A Grace Period is a predefined timeframe after the plan year ends that enables participants to spend down any remaining funds from the previous plan year.

Q2. How does this apply to state employees?

A2. State employees who are enrolled in the DCFSA on June 30, 2021 and have a balance remaining may continue using those funds to file for claims incurred from **July 1, 2021 through October 31, 2021**. All claims must be received by the claims administrator, PayFlex, by **November 30, 2021**, in order to be eligible for reimbursement under the Grace Period.

Q3. Does the Grace Period apply to me if I canceled my DCFSA prior to June 30, 2021?

A3. No, it only applies to those participants with an active dependent care FSA on June 30, 2021.

Q4. How do I get reimbursed from my previous plan year funds?

A4. You may file claims online or file paper claims.

Q5. How do I obtain paper claim forms?

A5. You may log in to www.payflex.com or call customer service at 1-855-516-8595.

Q6. Can I roll any remaining funds after October 31 into the 2021-2022 plan year account at the end of the Grace period?

A6. No, there is no rollover provision with the state's FSA program.

Q7. What if I didn't re-enroll in the DCFSA for the 2021-2022 plan year?

A7. The grace period applies to anyone who was enrolled on June 30th. If you didn't re-enroll, you will need to file paper claims to be reimbursed for eligible expenses under the Grace Period.

Q8. What if school, daycare etc. is not back in session by next fall? Can I get a refund of my DCFSA contributions then?

A8. No, you may decrease or cancel your DCFSA going forward. The election request must be received within 60 days of the change in your Dependent Care expenses, along with documentation of the change in expenses. **If you do not have the documentation, do not miss your deadline. The documents can be submitted later.**

Q9. What happens if I inadvertently have a claim paid from both plan years?

A9. The PayFlex system will prevent this from happening. It is programmed to use the previous plan year funds first.

Q10. I am planning carefully for my Dependent Care expenses in the new plan year. If I am reimbursed for some of these expenses with last year's funds, can I change my election?

A10. No, 2021-2022 DCFSA elections can only be changed with a valid qualifying midyear event.