



FSA COVID EXTENSION INFORMATION FOR EMPLOYEES WITH A GRACE PERIOD

Here are some key changes that employees should know:

- Legislation now allows plans to permit employees with flexible spending accounts (FSAs) and dependent care plans (DCAPs, also known as dependent care FSAs) to carry over all unused funds from your plan year ending on 9/30/2021 and plan year ending on 9/30/2022.
- Marin Community College District has opted in for the 12-month grace period for unused benefits for your plan year ending on 9/30/2021. The Grace Period gives employees an opportunity to spend down their balances from the previous plan year on expenses made in the new year.
- Plans are also given the option to allow medical FSA participants, who terminate their employment during 2021, to spend down their unused balances for expenses incurred through the end of the plan year and any subsequent grace period.
- Plans may allow a prospective change in election amounts for FSAs and DCAPs in 2021 without a corresponding change in status event.
- The maximum amounts for DCAPs increased from \$5,000 to \$10,500 for married parents filing taxes jointly or for single parents, and from \$2,500 to \$5,250 for married parents filing separately per calendar year. Please note that these limits apply to the 2021 tax year, and that non-calendar year plan participants should take this into consideration when making annual elections. (note**you are in a non-calendar year)
- All unused funds in a participants account from the Plan Year that ended on 9/30/2021 may be carried over to the new Plan Year starting 10/1/2021 with Sterling Administration.

For any questions, you may contact Sterling's Customer Service at: 800-617-4729, option 5.