

Letter 10 with response

From: [Westman, Jake A - DOA](#)
To: [ETF SMB Board Feedback](#)
Subject: Dependent Care FSA
Date: Thursday, April 8, 2021 12:45:38 PM

I would like to encourage the appropriate board to, and know if the board is, going to allow employees to increase their Dependent Care FSA contributions this year pursuant to the last stimulus bill. That bill increased the maximum for this year from \$5,000 to \$10,500. This is thousands of dollars in tax savings for me, and because it is held out of each check, the sooner it is allowed the more I can spread out the withholding.

Jake A Westman
Administrative Law Judge



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
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April 19, 2021

Dear Mr. Westman,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding the Dependent Day Care Account Program (DCAP) contribution limit increase with ETF's Third-Party Administrator, ConnectYourCare (CYC). If after your review, you find you still have questions, please feel free to let me know; my contact information is below.

Currently, the DCAP annual contribution limit is \$5,000 for the 2021 plan year. The American Rescue Plan Act of 2021 (ARPA) signed into law on March 11, 2021 allows an employer to voluntarily increase the DCAP annual contribution limit up to \$10,500 for the 2021 plan year. ETF has been evaluating this allowable change since it was released. ETF has also received feedback from multiple employers and members.

ETF is looking to adopt the contribution limit increase on the DCAP for 2021. The Board is expected to vote on this provision change at their next meeting on May 12, 2021. CYC will notify you of any program related changes to the DCAP after the Board's decision. If approved, you will be eligible to increase your DCAP annual contribution at a future date in 2021.

What does all of this mean for your situation? You may be eligible to increase your contribution limit for DCAP 2021. With the ARPA that has been passed, the Board is required to adopt the allowable change before the contribution limit can be made available to you. As soon as the change is approved, you can be eligible for the contribution increase with a qualifying life event.

Thank you for your patience through the complexity of these changes. We appreciate the feedback that we receive from members of the Group Health Insurance Program. A copy of your inquiry and ETF's response will be shared with the Board. Again, if you have additional questions, please reach out to me at Xiong2.Vang@etf.wi.gov or by phone at (608) 266-5875.

Sincerely,

Xiong Vang, HSA & ERA Accounts Program Manager, Office of Strategic Health Policy
Department of Employee Trust Funds

cc: Brian Stamm, Deputy Director, Office of Strategic Health Policy
Group Insurance Board