



May 6, 2021

**Human Resources**  
University of Wisconsin  
Hospitals and Clinics

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Wisconsin Department of Employee Trust Funds  
Attn: Wisconsin Group Insurance Board  
Madison, WI 53707  
Submitted electronically to: [ETFSMBBoardFeedback@etf.wi.gov](mailto:ETFSMBBoardFeedback@etf.wi.gov)

Dear Members of the Group Insurance Board:

The COVID-19 pandemic had a significant impact on our business on a variety of levels, including within the human resource space at UW Health. As one of the state's largest employers, we manage the HR needs of over 15,000 employees while staying abreast of federal and state regulations that effect those employees and our business practices. Congress has passed a number of sweeping bills in the last 12 months meant to address the effects of COVID-19 and set us on a path to recovery. I write today in regard to one of those bills – the American Rescue Plan Act. Specifically, a change to the dependent care FSA that was included in the bill.

More than 400 UW Hospitals & Clinics employees have dependent care accounts that allow them to set aside up to \$5,000 each calendar year to help cover the cost of childcare without tax liability. The American Rescue Plan Act signed by President Biden in March increased the allowable pre-tax amount to \$10,500 for joint filers for calendar year 2021. We would like to see Wisconsin follow suit and allow the same increased contribution level without state tax liability.

Many of our employees participate in the dependent daycare flexible spending account to take advantage of the pre-tax benefit. Whether an employee is seeing an increased cost due to a change in daycare provider as the result of COVID, or simply fall into the category of paying more than \$5,000 annually for daycare, the increase to \$10,500 is advantageous to employees. As we return to regular day-to-day activities, employees are planning for their childcare needs in 2021 and are again being asked to prepare for unpredictable circumstances. The small change we are requesting is a reasonable approach to one more obstacle created by COVID-19 that no one anticipated at the beginning of 2020. We believe employees should be offered reasonable opportunities to avoid unnecessary tax liability.

Thank you for your consideration. Please let me know if you have any questions about the content of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Clough".

Betsy Clough  
VP/Chief Human Resource Officer  
UW Health

