

Letter 6 with response

From: [Connie Showalter](#)
To: [ETF SMB Board Feedback](#)
Subject: 2020 dependent care rollover to 2021
Date: Friday, March 26, 2021 5:32:01 PM

To whom it may concert at the Group Insurance Board,
In February of 2021, the IRS started offering flexibility to employers to give employees the opportunity to use 2020 dependent care flex spending funds in 2021.

<https://www.irs.gov/newsroom/new-law-provides-additional-flexibility-for-health-fsas-and-dependent-care-assistance-programs>

I currently have funds from 2020 in my dependent day care account (via connect your care). I stopped funds being automatically being withdrawn from my account last year when I felt it was no longer safe to send my child to daycare. Even after that, I still had more money in my account than I could use.

On March 25, 2021, I received an email from connect your care stating I needed to file for reimbursement for my 2020 funds by March 31 for the 1/1/2020-1/1/2021 year. I find this extremely confusing since the feds are allowing funds from 2020 to roll over to 2021. I have not received any information from UW-Madison, ETF Omsbuds office, or Connect Your Care stating that we can use these funds in 2021.

In the fall, I contacted Tammy Baldwin, Ron Johnson, and Mark Pocan's offices to ask that they consider adding this exception for IRS dependent care flex to various stimulus packages. They all agreed this is a non-partisan issue, assured me it would pass, and I would have access to my dependent day care funds.

Considering most people are trying to sign their children up for summer camps, this needs to be address sooner than later. Now it is up to the UW to do the just thing. I am asking the GIB to please allow UW employees to rollover these funds for dependent care in 2021. The IRS is allowing flexibility, why not the UW system?

Thank you for your attention to this matter.

Best,
Connie

Connie Showalter (she/her)
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April 12, 2021

Dear Ms. Showalter,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding your 2020 Dependent Day Care Account Program (DCAP) contributions with ETF's Third-Party Administrator, ConnectYourCare (CYC). We apologize for any confusion and have provided information below to help. 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 does not allow funds in 2020 to rollover into 2021. Any balance remaining after the runout period ends on March 31, 2021 is forfeited or lost. You received a notification on March 25, 2021 as a reminder to resolve any outstanding 2020 claims.

The Consolidated Appropriations Act (CAA) of 2021 signed into law on December 27, 2020 allows an employer to adopt rollover changes related to the DCAP. ETF has been evaluating these allowable changes since they were released. ETF has also received feedback from multiple employers and members.

ETF is looking to adopt the carryover provision on the DCAP which allows rollover from 2020 into 2021. The Group Insurance Board (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, contributions remaining in a 2020 DCAP will be made available to you at a future date in 2021.

What does all of this mean for your situation? You may be eligible to receive your excess funds from 2020 DCAP into 2021. With the CAA that has been passed, the Board is required to adopt the allowable changes before the funds can be made available to you. As soon as the change is approved, you can use your 2020 DCAP rollover funds to pay for eligible dependent care expenses in 2021.

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.

Connie Showalter

April 12, 2021

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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