

Letter 7 with response

From: [Jake Baggott](#)
To: [ETF SMB Board Feedback](#)
Cc: [Jake Baggott](#)
Subject: FSA rollover funds for 2020
Date: Monday, March 29, 2021 1:59:58 PM

Good afternoon Members of the Group Insurance Board,

I am writing you recognizing that you are scheduled to meet this afternoon. My concern is the implications of COVID-19 on my ability to fully utilize my Limited Purpose FSA account funds. [REDACTED]. These limited purpose FSA funds can only be used for dental and vision benefits. Do my work in healthcare, I have had little to no opportunity in the past 13 months to schedule any kind of dental or vision care. I have worked without a vacation day since the beginning of COVID in Wisconsin. My providers of dental or vision care were not even able to schedule such care until June of this year. I finally got in to see my dentist just last week and learned that I have to have extensive dental work that will likely cost me more than \$10K before it is completed as well as extensive care for my spouse.

I knew the federal government had passed legislation late last year, recognizing many folks were not able to seek health care in 2020 and now allowed for employers to roll over all unused 2020 funds into this year. The FSA Plan Administrator, CYC explained that the State of Wisconsin had not chosen to provide that option to its employees. This is incredibly disappointing and perhaps negligent as the custodian of employee funds, especially during a pandemic. I do not want to lose thousands of dollars due to circumstances I could not prevent, especially when the federal government has made provisions to accommodate those affected.

I urge the Members of the Group Insurance Board to take immediate action and allow employees to carryforward the full amount of unused FSA funds as provided by the [Consolidated Appropriations Act of 2021](#). I am sure there are numerous individuals and families impacted, all of which you can address via timely action.

Thank you in advance.

Jake Baggott, MLS, FACHA, 1SG (Ret.)



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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April 19, 2021

Dear Mr. Baggott,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding your 2020 Limited Purpose Flexible Spending Account (LPFSA) contributions with ETF's Third-Party Administrator, ConnectYourCare (CYC). I understand how frustrating this may be for you. I have provided information below for you that I hope you will find helpful. If after your review, you find you still have questions, please feel free to let me know; my contact information is below.

Currently, the LPFSA allows up to \$550 as rollover funds from 2020 into 2021. This rollover fund will be made available to you in April 2021 to use for eligible expenses. Any remaining funds greater than \$550 after the runout period ended on March 31, 2021 was forfeited or lost. You received a notification on March 25, 2021 as a reminder to resolve any outstanding 2020 claims.

However, since the start of the pandemic, federal law has allowed provision changes related to the flexible spending account (FSA). ETF has been proactive in reviewing the provision changes for the Group Insurance Board (Board) to adopt.

The Consolidated Appropriations Act (CAA) of 2021 signed into law on December 27, 2020 allows an employer to adopt a rollover greater than the current \$550 for the FSA. ETF has been evaluating the allowable change since they were released. ETF has also received feedback from multiple employers and members.

ETF is looking to adopt a rollover amount greater than the \$550 for the FSA. 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 FSA after the Board's decision. If approved, excess contributions remaining in your 2020 LPFSA 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 LPFSA into 2021. With the CAA that has been passed, the Board is required to adopt the allowable change before the funds can be made available to you. As soon as the change is approved, your excess funds from 2020 LPFSA will rollover in your 2021 LPFSA which you can use to pay for eligible expenses in 2021.

Thank you for your patience as we navigate the unique circumstances created by the pandemic and changes in federal law that affect program administration. We appreciate the feedback that we receive from members of the Group Health Insurance Program. A

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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