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EMPLOYEE TRUST FUNDS

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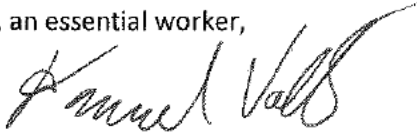
**CORRESPONDENCE FOR BOARD MEMBERS SHOULD BE DIRECTED TO:**

Group Insurance Board  
c/o Board Liaison  
Department of Employee Trust Funds  
PO Box 7931  
Madison, WI 53707-7931  
Phone: (608) 266-0301

Will the 2021 Dependent Care FSA be allowed to roll over this year into 2022? We were planning on bringing our toddler back to day care in fall of 2021 and so I maxed out my FSA contribution, but our outlook on Covid is changed due to the Delta variant and we are thinking about not bringing him back until vaccines are approved for his age group. Please let families roll over the full FSA dependent care 2021 plan year contribution to 2022. This has been a tough time for young families, and our income is down substantially between being furloughed myself for 2 weeks and my partner needing to leave her job to care for our kid.

Respectfully, an essential worker,

Dan Volk



Electrical Engineer PE

Facilities Planning and Management Dept.

University of Wisconsin-Madison

1217 University Ave., Room 401

██████████ – Mobile

[daniel.volk@wisc.edu](mailto:daniel.volk@wisc.edu)



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

Wisconsin Department  
of Employee Trust Funds  
PO Box 7931  
Madison WI 53707-7931  
1-877-533-5020 (toll free)  
Fax 608-267-4549  
etf.wi.gov

August 19, 2021

Dan Volk  
Reply via email: [daniel.volk@wisc.edu](mailto:daniel.volk@wisc.edu)

Dear Mr. Volk,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding the Dependent Day Care Account Program (DCAP) rollover with ETF's Third-Party Administrator, Optum Financial (formerly ConnectYourCare). I'm sorry to hear of the challenges you are facing. As you will note from the information below, federal legislation would be necessary to allow the carryover of funds into 2022. . If you have questions about the information provided, please feel free to contact me.

The DCAP is regulated by Internal Revenue Service. The Internal Revenue Code (Code) Section 129 allows employers to provide dependent care assistance benefits for their employees on a tax-free basis. DCAPs are subject to the "use it or lose it" rule for flexible spending accounts. Under this rule, any unused funds in the DCAP at the end of the coverage period generally cannot be rolled over to the next year's coverage period and must be forfeited.

The Consolidated Appropriations Act (CAA) of 2021 provided an exception to the rule. The CAA allows several temporary provisions to provide relief and flexibility for the DCAP. This act allows an employer to voluntarily adopt rollover for the DCAP from 2020 into 2021 as a temporary relief since members were not able to utilize the funds in 2020 due to then pandemic. The Group Insurance Board adopted the DCAP rollover change to occur from 2020 into 2021. Additional 2020 DCAP funds were made available for active members on May 28, 2021.

Federal law has not provided any expansion of the DCAP rollover provision other than the CAA of 2021. ETF is monitoring this and will look to expand the DCAP rollover provisions in the future if and when federal law allows. The United States Congress will have to pass additional legislation in order for ETF to adopt the DCAP rollover.

Again, thank you for reaching out to us. 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](mailto: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