

2021 Flexible Spending Accounts Temporary Rules

The Consolidated Appropriations Act (CAA) includes several types of relief for flexible spending accounts. NMSU will allow for the following *temporary* flexibility for changes permitted by the IRS in response to COVID-19.

Carry-over for Healthcare FSA and Dependent Care FSA: You can carry-over any unused funds from the 2020 plan year to the plan year ending in 2021 and carry-over unused funds from the 2021 plan year to the 2022 plan year. Carry over amounts will remain available for reimbursement into the new plan while you remain eligible for the plan. If you terminate employment prior to the end of the plan year, you have 90 days after your last date of employment to file claims for eligible health care expenses incurred prior to your termination.

Mid-Year Election Changes: You may *prospectively* make **one** mid-year election change regardless of whether you satisfy existing mid-year election change rules. You may revoke an election, make a new election, or decrease or increase an existing election for a Healthcare FSA or Dependent Care FSA. An increase or decrease to an existing election will adjust the total amount allowed for reimbursement for the plan year. Payroll contributions will be adjusted through the end of the year. The total amount cannot be decreased to less than the amount already contributed or the amount reimbursed for the plan year. To make an election change, submit the attached form to benefits@nmsu.edu. The change will be effective the 1st day of the month following receipt of your form. Forms received by March 3, 2021 will be processed effective March 1, 2021. Election changes cannot be decreased to less than the amount already contributed or the amount already reimbursed. Contributions **will not** be refunded.

Extended Coverage for Dependents who Age-Out: If your child turned 13 during the last plan year, the maximum age is **temporarily** increased from 13 to 14 for the remainder of the plan year in which the child aged out.

Reminder: FSA participation requires enrollment each year. Failure to complete an election during the annual Open Enrollment will result in no participation for the subsequent plan year.

Additional information about FSAs is available at

<https://benefits.nmsu.edu/insurance/fsa/>. For questions regarding your FSA contact McGriff Insurance Services at flexinquiry@mcgriffinsurance.com or 1-800-768-4873. For questions regarding NMSU benefits contact benefits@nmsu.edu or 575-646-8000.



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Date: March 2, 2021
To: Benefit Eligible Employees
From: Celeste Martinez, Director, Benefit Services
Subject: 2021 Flexible Spending Accounts (FSA) Temporary Special Rules

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