



HUMAN RESOURCES AND LABOR RELATIONS DEPARTMENT

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To: County Staff

From: Andrew S. McKinnon, Director
Human Resources and Labor Relations

Date: April 7, 2021

Re: Flexible Spending Accounts

We have some very exciting news for all full time employees. On Feb. 18, 2021, the IRS released [Notice 2021-15](#) to clarify the application of temporary special rules for health flexible spending arrangements (FSAs) and dependent care assistance programs (DCAPs) provided under the Consolidated Appropriations Act, 2021 (CAA).

Employers have the discretion to adopt some or all of the relief. Macomb County has elected to adopt the following relief for our FSA and DCA (Dependent Care Account) for 2021:

- Extend the grace period for plan years ending in 2020, 2021;
- Allow employees who have not previously enrolled in the FSA or DCAP for 2021 to make new elections.
- Permit mid-year election changes (**limited to increases only**) for health FSAs and DCAPs for plan years ending in 2021.

Extended Grace Period Relief

The CAA allows employers to extend the grace period to apply unused amounts remaining in a health FSA or DCAP for plan years ending in 2020 or 2021, to 12 months after the end of that plan year.

Special Age Limit Relief for DCAPs

The CAA includes a special carry forward rule for dependent care FSAs where the dependent aged out during the pandemic. Specifically, for purposes of determining dependent care assistance that may be paid or reimbursed, the maximum age is increased from 13 to 14 years of age.

Please note the [American Rescue Plan Act of 2021](#), enacted on Thursday, March 11, includes a temporary increase in dependent care assistance plan (DCAP) exclusion limits. For the 2021 tax year, up to \$10,500 of dependent care expenses (\$5,250 for a married couple filing a separate tax return) reimbursed under a DCAP may be excluded from a participant's taxable compensation.

A special enrollment for employees currently enrolled in either the 2021 FSA or DCAP plans may elect to increase their current elections up to the new maximum of:

\$2,750 for the FSA

\$10,500 or \$5,250 for a married couple filing a separate tax-return

The Special Open Enrollment for employees will take place on April 12 – 30, 2021.

To enroll or increase your current elections, simply log-in to Employee Navigator and select your new amounts. These deductions will begin on June 1, 2021.

Below you will find a link to Employee Navigator:

<https://www.employeenavigator.com/benefits/Account/Login>

- If you have never set-up your account in Employee Navigator use the Link above to **"Register as a New User."**
- From this screen enter your information. You will be asked for a "Company Identifier" which is **Macomb_County**
- You will then be asked to create a name and password for your account
- Once you are logged in you will select **"Start Enrollment"** from your Home Screen and begin the enrollment process.
- At the completion of your enrollment, be sure to electronically sign the **"Enrollment Summary."**
- Your enrollment will then be complete.

If you have any questions, please feel free to reach out to myself or Jennifer Smiley.

I hope this is as good of news for all of you as it was for me. Take care of yourselves and have a great rest of your weeks.