



COLLIN COUNTY

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Date: June 3, 2020
To: Commissioners' Court
From: Cynthia Jacobson, Director of Human Resources
RE: Flexible Spending Account Plan Amendment

The Internal Revenue Service published guidance regarding 125 Cafeteria Plans in response to the 2019 Novel Coronavirus outbreak (COVID-19). The notice allows for increased flexibility with respect to mid-year elections for health Flexible Spending arrangements (health FSAs) and dependent care assistance (dependent care FSAs). Employers now have the option to allow mid-year elections made during calendar year 2020.

Human Resources recommends a plan amendment to allow current Flexible Spending Account (FSA) participants to make a one-time mid-year change to their annual pledge if they so choose. Current participants would be allowed to increase or decrease their Flexible Spending Account annual pledge. If a participant chooses to lower their pledge, they may not decrease below the amount for which they have already received reimbursement.