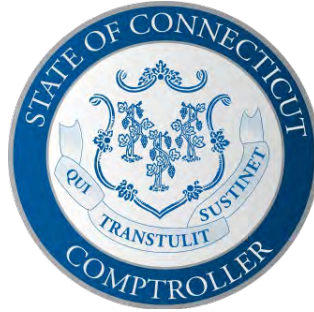


OFFICE OF THE STATE
COMPTROLLER

HEALTHCARE COST
CONTAINMENT COMMITTEE



HEALTHCARE POLICY & BENEFIT
SERVICES DIVISION
165 CAPITOL AVENUE
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March 3, 2022

**Healthcare Policy & Benefit Services Division
Memorandum 2022-02**

TO THE HEADS OF ALL STATE AGENCIES

ATTENTION:	Personnel and Payroll Officers, Chief Administrative and Fiscal Officers, and Benefits Managers
SUBJECT:	Update on Dependent Care Assistance Program, Medical Flexible Spending Account Program and Qualified Transit Account Programs Transition

I. INTRODUCTION

The purpose of this memorandum is to (1) announce that the takeover process for the Dependent Care Assistance Program (DCAP), the Medical Flexible Spending Account Plan (MEDFLEX), and the Qualified Transportation Account (QTA) program to TASC, the new administrator, has been completed and (2) to respond to questions received from participants about submission of claims.

II. USE OF REMAINING FUNDS FOR 2021 PLAN YEAR

A. DCAP Accounts

Participants in the DCAP are now able to see their 2021 account balances on the TASC website, <https://www.cttasc.com> and to access those balances to pay for eligible 2021 dependent care expenses. All claims for use of 2021 Plan Year balances must be submitted to TASC for payment by March 31, 2022. Due to Internal Revenue Service requirements, we are unable to extend the deadline for claims submission. All unused 2021 balances in participant accounts after March 31, 2022 will be forfeited.

B. MEDFLEX Accounts.

The deadline for submitting claims for the 2021 Plan Year is March 31, 2022. The Comptroller has authorized a plan amendment giving employees the ability to use MEDFLEX funds set aside for medical/dental services in Plan Year 2021 to be carried over to the 2022 Plan Year. If you enrolled in the MEDFLEX for Plan Year 2022, all unspent 2021 Plan Year funds will be available for use in 2022. .

Employees who did not enroll in MEDFLEX for Plan Year 2022, are also able to use all unspent funds from Plan Year 2021 during 2022. To avoid the administrative expense of carrying small, inactive MEDFLEX accounts, any unused 2021 balance of less than \$25.00 as of March 31, 2022 will be forfeited.

C. QTA Accounts

Balances in the QTA Plan carry over from year to year and may be used for eligible expenses so long as the employee has not terminated from service. The deadline for submitting claims for the 2021 Plan Year is March 31, 2022. Unused balances in those accounts as of March 31, 2022 will remain eligible for use.

During the Covid-19 pandemic, many employees were unable to use funds set aside for public transportation due to increased telecommuting, discontinuation of vanpools, and service reductions on public transportation. In November 2020, the IRS issued Notice 20-0024, which indicated that employees could use transportation fringe benefits for qualified parking expenses. We will provide more guidance to QTA participants about how to use transit funds for parking expenses in the coming weeks. The IRS Notice also made it clear that unused amounts in QTA accounts cannot be refunded to employees upon termination.

III. CONCLUSION

These programs help employees save money on necessary expenses by reducing their taxable income. Please make sure that your agency's employees get this information promptly so that they have sufficient time to submit claims for reimbursement of eligible 2021 expenses by the March 31, 2022 deadline..

Questions pertaining to this memorandum may be directed to the Healthcare Policy & Benefit Services Division, Employee Benefits Unit at 860-702-3644.

Very truly yours,



Thomas C. Woodruff, Ph.D., Director