Dependent Day Care Accounts

A COVID-19 Update

First Financial Group of America

On Tuesday, March 31, Gov. Greg Abbott announced that schools will be closed until May 4 statewide. Even prior to this announcement, we all have been adjusting to this new reality of self-quarantine and shelter-at-home restrictions that have eliminated the need or even possibility for childcare outside the home. Several employees have inquired about dropping their Dependent Care Accounts (DCA) given the current situation. Here are a few things you should know.

- IRS officials have said that an election change may be permitted if a child is switched from a paid provider to “free care” (e.g., by yourself, a neighbor or relative) or no care (e.g., as a “latchkey” child).
- No backup documentation is needed at this time. The reason for the change or request can simply be COVID-19.
- If an employee returns to work any time within this plan year and wants to re-enroll at that time, they may do so.
- If an employee drops DCA coverage and has funds remaining in the account, he or she still will be able to file a manual reimbursement claim for any eligible childcare expense, even after contributions are discontinued, as long as the childcare service was incurred during the plan year.
- If you have a participant who needs to drop the plan, please make the change in your enrollment system or contact your First Financial representative for assistance.

For more information about how we are responding to COVID-19, follow our blog on ffga.com.