

Congress of the United States

Washington, DC 20515

September 14, 2020

The Honorable Nita Lowey
Chairwoman
House Committee on Appropriations
H-307, The Capitol
Washington, D.C. 20515

The Honorable Kay Granger
Ranking Member
House Committee on Appropriations
1016 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mike Quigley
Chairman
House Committee on Appropriations
Subcommittee on Financial Services
And General Government
2000 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Tom Graves
Ranking Member
House Committee on Appropriations
Subcommittee on Financial Services
And General Government
1306 Longworth House Office Building
Washington, D.C. 20515

Dear Chairwoman Lowey, Ranking Member Granger, Chairman Quigley and Ranking Member Graves:

As you continue to negotiate a package to fund the government past the end of the fiscal year, including a potential continuing resolution, we urge you to include provisions to help families who have elected to contribute to dependent care flexible spending accounts (DCFSAs) but are unable to use their contributions due to the COVID-19 pandemic.

DCFSAs, also referred to as dependent care assistance plans (DCAPs), are a benefit offered by employers that allow employees to pay for eligible dependent care services such as childcare, summer day camp, and babysitting with pretax dollars. Employees who choose to participate in a DCFSA contribute a certain amount of their salary on a pretax basis, usually up to a maximum of \$5,000 per year, and are reimbursed for eligible dependent care services. Federal employees also take advantage of DCFSAs through the Federal Flexible Spending Account Program (FSAFEDS). DCFSAs are an important tool for many working families, which helps them save an average of 30 percent on dependent care services for loved ones so they may continue to work.¹

The COVID-19 pandemic has greatly impacted the availability of dependent care services. To ensure the safety and health of those they serve, many childcare providers, after-school programs, summer camps, and other forms of dependent care have been forced to close or reduce the number of individuals they care for. For parents who sought childcare services in early April, almost two-thirds struggled to find childcare, including many who found it very difficult.² That's because 60 percent of childcare programs

¹ <https://www.fsafeds.com/explore/dcfesa>

² <https://bipartisanpolicy.org/blog/nationwide-survey-child-care-in-the-time-of-coronavirus/>

were closed and not offering care to children, and only 10 percent of larger centers and 16 percent of smaller centers were open without scheduling changes.³ Since DCFSAs are subject to the “use-it-or-lose-it” rule, many families face losing hundreds or thousands of dollars in their DCFSA contributions if Congress does not act.

We have heard from many constituents who enrolled in and contributed to a DCFSA at the beginning of the 2020 plan year but have been unable to use the funds due to COVID-19. To address this issue and give families peace of mind that their DCFSA contributions will be there when they need them, we urge you to include H.R. 6958, the COVID-19 Dependent Care Flexible Spending Arrangement Rollover Act of 2020, as part of any continuing resolution or funding bill. This bipartisan legislation would allow for an employee’s unspent contributions remaining at the end of 2020 to be rolled over into 2021, thereby avoiding a situation in which working families lose out on hard-earned dollars in their DCFSAs. A copy of the legislative text is enclosed.

In addition, we have heard from constituents whose children will age out of the system by turning 13 this year, making their parents ineligible to contribute to a DCFSA next year. As a result, the money they already contributed to their DCFSA will be forfeited at no fault of their own.

Childcare and other dependent care services are essential for our economic recovery as we work to overcome the COVID-19 pandemic. Without the ability for working mothers and fathers to access and afford these services, they will not be able to return to work or seek employment—thereby frustrating our economic recovery.

Therefore, we urge you to include both H.R. 6958 and language to address the issue of children who have or will age out this year in the upcoming funding package. In doing so, you will help many working families who face forfeiting their DCFSA contributions as a result of the pandemic. Families are currently experiencing many economic challenges. They should not lose money as a result of following public health guidance and not taking advantage of dependent care services during the pandemic.

Thank you for your consideration.

Sincerely,



Jennifer Wexton
Member of Congress



Cindy Axne
Member of Congress

³ <https://bipartisanpolicy.org/blog/nationwide-survey-child-care-in-the-time-of-coronavirus/>