

DSM North America, Inc.

HR Shared Services

45 Waterview Boulevard

Parsippany, New Jersey 07054

E-mail HR.Services@dsm.com

**Dear 2021 DSM Flexible Spending Account Participant:****Re: Additional Flexibility Coming to Your HCFSA and DCFSA Plan**

For 2021, the Internal Revenue Service (IRS) continues to provide guidance for employers to allow additional flexibility with respect to Healthcare Flexible Spending Accounts (HCFSA) and Dependent Care Flexible Spending Accounts (DCFSA) due to COVID-19.

Based on the guidance provided by the IRS, DSM has chosen to adopt the following changes for the 2021 plan year:

- Increased the carryover amount for your HCFSA to allow the full 2020 balance to be included in your available balance for 2021. This prevents you from forfeiting unused funds in 2020 due to exceeding the maximum carryover amount.
- Added the carryover feature to your DCFSA, allowing the full 2020 balance to be included in your available balance for 2021. This prevents you from forfeiting unused funds in 2020.
- Certain DCFSA funds can be used to pay eligible expenses for an eligible dependent who is not yet age 14 (an increase in age from 13) during the 2021 plan year if your child turned age 13 in 2020, and for expenses incurred in 2021, it only applies to reimbursements from unspent amounts carried over from 2020. This means that you still cannot use amounts contributed in 2021 to pay for expenses of a child over age 13, and you cannot use DCFSA funds for a child who turns age 14 in 2021.
- We're allowing you to make a 2021 mid-year election change for your HCFSA and DCFSA.
 - You can increase, decrease, or make a new election without a qualifying event. Any decrease in election amount may not exceed the total amount of claims already paid out, so be sure to check your detailed activity with WageWorks. This change can be requested by contacting the DSM Benefits Center at 1-866-353- 9740.
- If you cease participating in the HCFSA during the year, we are allowing a spend-down for your HCFSA account balance through December 31, 2021. The DCFSA currently allows for spend-down through the end of the year. This means that you can submit a reimbursement request for claims incurred after your termination, up to the amount you had contributed reduced by the claims that have been reimbursed.

These modifications are applicable to the 2021 plan year only and any changes impacting future years or additional changes by the IRS will be communicated as they become available.

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For questions or information on the reimbursement process, please contact Health Equity at 1-(877)-924-3967, 24 hours a day 7 days a week.

Sincerely,

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