



July 21, 2020

Dear Members of Congress,

As the COVID-19 pandemic has changed many aspects of life, policymakers have been working diligently to protect and support Americans through these challenging changes. One area that has been uniquely affected by the pandemic (and policy changes responding to the pandemic) is childcare.

Independent Women's Voice is proud to support the COVID-19 Dependent Care Flexible Spending Arrangement Rollover Act of 2020 (H.R. 6958/S. 3972). By allowing 2020 DCFSA savings to roll over from 2020 to 2021, this legislation provides a commonsense response to the unique challenges working families are facing this year.

As parents stay in their homes, either working from home, furloughed, or unemployed, children remain at home as well, due to mass closures of schools, daycares, and other childcare arrangements. The uncertainty of childcare and work arrangements during this time jeopardizes the tax benefits for funds already saved in the DCFSAs. Because DCFSA accounts do not rollover, any unused balance at the end of 2020 will be gone.

DCFSA were set up to help parents care for their children, not punish them for following health guidelines during a public health crisis.

Before the COVID-19 crisis fully hit the United States, Representatives Cindy Axne and Pete Stauber introduced a bi-partisan bill, the Improving Child Care for Working Families Act. This bill would increase the limit on dependent care flexible spending accounts, an employer-offered benefit allowing parents to set aside pretax income for childcare expenses, to \$10,000 per year, doubling the current limit on the account, \$5,000 per year.

We also support this effort to extend tax relief to working families and modernize the DCFSA limit. The current limit was set in 1986. With increasing child care costs, it only covers half the average yearly cost of childcare. Pandemic or no pandemic, the limit should be raised.

But even this helpful bill does not address the critical question of unused 2020 DCFSA savings, which makes the COVID-19 DCFSA Rollover Act critical.

We thank Representative Axne, Representative Stauber, Senator Capito and Senator Klobuchar for their leadership in supporting American families and we urge you to join them and support the COVID-19 Dependent Care Flexible Spending Arrangement Rollover Act of 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "H Higgins", written over a horizontal line.

Heather Higgins

CEO

Independent Women's Voice