


The California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802-4210
(562) 951-4410

Date: October 17, 2000

Code: TECHNICAL LETTER
HR/Benefits 2000-13
Supplement #1

To: Human Resources Directors
Benefits Officers

From: 
Cathy Robinson, Senior Director
Human Resources Administration

Subject: **DEPENDENT CARE ACCOUNT (DCA) PLAN UPDATE**

Technical Letter HR/Benefits 2000-13 announced changes to the Dependent Care Account (DCA) Plan. The CSU has adopted the Internal Revenue Services' (IRS) proposed regulations, which provide more flexible election change opportunities during the plan year. After further review of the proposed regulations, the CSU will implement these changes during this plan year. **Accordingly, effective September 1, 2000, participants may use the newly adopted regulations to make DCA election changes.**

Election changes outside of open enrollment must be *on account of and correspond with* a change in status that affects expenses described in Internal Revenue Code (IRC) Section 129 of the tax code. Additionally, to modify an election during the plan year, the status change event must result in a change in eligibility or cost of care. Please refer to Technical Letter HR/Benefits 2000-13 and the recently restated Dependent Care Account Administrative Guide for program guidelines.

If you have any questions, please contact Felice Bakre in the systemwide Human Resources office at (562) 951-4410. This technical letter is available on the Human Resources Administration's web site at: <http://www.calstate.edu/tier3/HR-Adm/memos.html>.

CR/fb

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Payroll Managers
Director, SOSS