



American Rescue Plan Act of 2021: Employer Checklist

Background

The American Rescue Plan Act of 2021 includes \$1.9 trillion in COVID-19 related relief. Vita has developed numerous resources to explain key benefits-related provisions (such as our [blog post](#)); this resource is intended to be a high-level summary of employer and Vita action items directly related to the COBRA subsidies and increased Dependent Care FSA maximum provisions.

Vita Action Items

- **Send spreadsheet of all COBRA Qualified Beneficiaries (QBs) who might potentially be Assistance Eligible Individuals (AEIs):** We will send the initial spreadsheet to employer contacts by Thursday, March 18. Additional reports will be generated throughout the subsidy period.
- **Send new quarterly reports for subsidy allocation:** Reports will be sent at the end of Q2 and Q3 2021 so that employers may claim the applicable payroll tax credits.
- **Communicate subsidy information to all AEIs:** Vita will develop and send notifications to all identified AEIs within one week of identification. Vita will also send required subsidy expiration notices when applicable.
- **Prepare plan amendments by June 2021:** Vita will draft and send plan amendments that will not require employer signature.

Employer Action Items

- **Complete spreadsheet identifying voluntary and involuntary terminations:** We request this data as soon as possible in order to facilitate quick enrollment for employees.
- **Use Vita quarterly reports for payroll tax credits:** Employers may use the new quarterly reports to claim payroll tax credits on Quarterly Form 941 to offset the COBRA subsidy costs.
- **Notify Vita Account Manager by March 23, 2021 if plan change opportunity will be elected:** The default action will be to not allow a COBRA plan change (except for open enrollment/qualifying life events).
- **Notify Vita Account Manager by March 23, 2021 if Dependent Care FSA Maximum will not be accepted:** The default decision will allow 2021 elections up to \$10,500.
- **Communicate increased Dependent Care FSA maximum to all plan participants:** Note the Consolidated Appropriations Act of 2021 allows prospective mid-year election changes, if that optional provision is adopted.
- **Configure benefits administration/enrollment system to allow increased Dependent Care FSA maximum election:** Ensure systems are fully updated, including removal of any payroll caps at \$5,000.