



# Dependent Care (DepCare) Flexible Spending Account

## Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a dependent care flexible spending account (dependent care FSA). The 2021 annual contribution limit is:

- Per household: \$5,000
- Per person (if married and filing separately): \$2,500

Although most people incur more than the limit per year, we recommend reviewing how much you spend on eligible dependent care expenses every year to determine your election.

### IRS regulations



#### Funds available as you contribute

Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your dependent care FSA contributions will be applied to your account and available for reimbursement.



#### Spend your DepCare FSA dollars.

The plan has a grace period from January 1 - March 15, which means you may use your current plan year funds to cover expenses incurred through March 15 of the following year, as long as you submit the claims by April 15 of the new plan year. Any funds remaining after the grace period will be forfeited. To use 2020 funds during the grace period, submit claims to WageWorks.



#### Pro tip

A great way to set it and forget it is to use our Recurring Dependent Care Form that allows you to submit one claim for the entire year and you will be reimbursed after each payroll.

#### Changing your dependent care FSA election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:



- Change in marital status
- Change in the number of dependents
  - Increase due to birth, adoption or marriage
  - Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.

**You must re-enroll every year during Open Enrollment in order to continue participation in DepCare**

