
Day Care FSA changes

On December 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law. In response to the COVID 19 pandemic, the CAA enables employers to add additional flexibility to their day care flexible spending account (FSA) programs. As a result, we have decided to extend the grace period for incurring and filing Day Care FSA claims for 2020 and 2021 and to allow prospective mid-year election changes for any reason to Day Care FSA elections in 2021. Additional details are provided below and constitute a Summary of Material Modifications for the Wells Fargo & Company Day Care Flexible Spending Account.

This update does not provide all the provisions of the Day Care FSA. Review “Chapter 6: Day Care FSA” of the [Benefits Book](#) for more information.

No action is required if you are not eligible, do not have funds remaining attributable to the 2020 grace period, or you do not wish to make changes to your 2021 Day Care FSA election.

Day Care FSA – 2020 grace period extended

If you were enrolled in the Day Care FSA on December 31, 2020, and have not exhausted your 2020 balance, you qualify for a grace period. This grace period gives you additional time to use 2020 contributions by allowing you to use them on eligible expenses incurred in 2021. The Day Care FSA grace period for the 2020 plan year was originally scheduled to run from January 1, 2021 – March 15, 2021, and is now extended to run from January 1, 2021 – December 31, 2021. Note: You now have until April 30, 2022, to file a claim for reimbursement for expenses incurred in the 2020 plan year and the associated grace period along with required documentation for these expenses.

Day Care FSA – 2021 grace period extended

If you are enrolled in the Day Care FSA on December 31, 2021, and have not exhausted your 2021 balance, you qualify for a grace period. As with the extended grace period for the 2020 plan year, this extension of the grace period for the 2021 plan year gives you additional time to use 2021 contributions by allowing you to use them on eligible expenses incurred in 2022. The Day Care FSA grace period for the 2021 plan year would typically run from January 1, 2022 – March 15, 2022. The extension of the Day Care FSA grace period allows you to incur additional expenses between January 1, 2022 – December 31, 2022. You have until April 30, 2023, to file a claim for reimbursement for expenses incurred in the 2021 plan year and the associated grace period along with required documentation for these expenses.

Day Care FSA – 2021 mid-year election changes

In addition to being able to change your Day Care FSA elections due to a Qualified Event, you now have the option to make a prospective change to your current 2021 Day Care FSA elected annual contribution amount for any reason. This is a special rule for 2021 that currently does not apply in future years.

For the 2021 plan year, you may decrease, drop, or increase, or newly enroll in the Day Care FSA, on a prospective basis through November 30, 2021. Your new per-pay-period contribution amount will be calculated by subtracting your year-to-date contributions from your newly elected annual contribution amount and dividing the difference by the number of pay periods remaining for the plan year. The change is effective the first of the month following the date you request the change. Your eligible claims will be paid up to your current account balance. For the Day Care FSA, your “current account balance” is the amount of contributions you have actually contributed to date at any point during the plan year, less any claims paid. More detail is provided below.

Decrease or drop coverage

From now through November 30, 2021, you can prospectively decrease your 2021 annual contribution amount or drop your 2021 Day Care FSA coverage for any reason.

- If you expect your eligible day care expenses for 2021 will be lower than you originally planned, you may want to consider decreasing your contributions for the remainder of 2021. **Note:** You are not permitted to decrease your 2021 Day Care FSA annual contribution amount below the amount already reimbursed from your FSA. You also may not decrease your annual contribution amount below the amount you have already contributed up to the date the change in your contributions is effective. The minimum contribution to continue participating is \$5.00 per pay period.
- You may also drop your 2021 Day Care FSA coverage going forward, ending your participation in the plan. **If you drop coverage, only eligible day care expenses incurred while you were a participant are eligible for reimbursement.** For example, if you drop your coverage on March 31, 2021, you can only submit eligible day care expenses for dates of service from January 1, 2021 – March 31, 2021. If you think you may have additional eligible day care expenses during the year (or through the extended grace period), or you have an unused balance, you may want to consider decreasing your annual contribution amount, rather than dropping coverage, in order to remain a participant eligible to incur expenses for reimbursement. **Note:** If you drop coverage, any contributions not used on expenses incurred on or before the date your coverage was dropped will be forfeited. You will not receive a refund of any unused contributions. You have until April 30, 2023, to submit expenses incurred prior to the date your coverage was dropped.

To decrease your annual contribution amount or drop your coverage going forward, you should review and take the following into consideration:

- Your current 2021 annual Day Care FSA election. For the amount, view your benefit confirmation statement by signing on to [Your Benefits](#) tool.
- The year-to-date (YTD) amount already deducted for your Day Care FSA, shown on your most recent paycheck by accessing your [pay voucher](#) on Teamworks.
- Amounts already reimbursed to you. Review your [FSA account](#). If you have submitted any recent claims for reimbursement that are pending, you will need to include those amounts.
- Anticipated expenses that you will incur through December 31, 2022.

After you've determined whether to decrease or drop your Day Care FSA coverage and what you want your new 2021 annual election amount to be, follow the instructions in the "To request a change" section below.

Enroll or increase coverage

From now through November 30, 2021, you can prospectively increase your annual contribution amount or enroll in a 2021 Day Care FSA for any reason.

- If you did not enroll in the DC FSA for 2021, but anticipate that you will have eligible day care expenses, you may choose to enroll at any time for any reason through November 30, 2021. **Note:** Please keep in mind that only eligible day care expenses incurred after you enroll are eligible for reimbursement. In other words, if you enroll with a June 1, 2021, effective date, you cannot submit an expense incurred between January 1, 2021 – May 31, 2021, for reimbursement; all eligible expenses must be incurred June 1, 2021, or after. Consider this when determining your annual contribution amount.
- If you expect your eligible day care expenses for 2021 will be greater than you originally planned, you may want to consider increasing your contributions for the remainder of the 2021. **Note:** You can only receive reimbursement from the higher contribution amounts for expenses incurred after the date your increased annual election takes effect. In other words, if you increase your annual contribution amount with a June 1, 2021, effective date, contributions made June 1, 2021, or later cannot be used for expenses incurred January 1 – May 31, 2021.

The maximum annual contribution amount you may elect for 2021 is \$5,000 (if you are single filing jointly) or \$2,500 (if you are married filing separately), with the exception of highly compensated employees who are limited to a maximum of \$2,500. The amount you elect will be deducted from your remaining paychecks in 2021.

To enroll in the 2021 Day Care FSA or increase your annual contribution amount, follow the instructions under “To request a change” below.

To request a change

- If you'd like to request a change, contact Employee Care at 1-877-HRWELLS (1-877-479-3557). Select menu options 2, 2, and then 1, when prompted to speak with an HR Specialist. Indicate that you are inquiring about the COVID 19-related mid-year election changes allowed for Day Care FSA for 2021 and be prepared to explain the change you'd like to make (decrease or drop, enroll or increase), including your new annual contribution amount. Support is available Monday through Friday from 7:00 a.m. to 7:00 p.m. Central Time. All relay service calls are accepted, including 711.
- You must contact Employee Care **by November 30, 2021**. No additional changes can be made after November 30, 2021, unless you experience an applicable Qualified Event. Retroactive changes are not allowed.

Wells Fargo & Company reserves the unilateral right to amend, modify, or terminate the Day Care FSA at any time, for any reason, with or without notice, including amending or modifying an SPD through a Summary of Material Modification (SMM), if applicable. Any such amendment, modification, or termination may apply to both current and future participants and their dependents and beneficiaries. In case of a discrepancy between the information provided in the SPD and the official plan document, the official plan document governs. If there are any errors or omissions in such materials, Wells Fargo & Company, the plan administrator, or their authorized designees reserve the right to correct such errors or omissions. Eligibility for, or participation in, the Day Care FSA does not constitute a contract or guarantee of employment with Wells Fargo & Company or its subsidiaries or affiliates.