

# Day Care FSA increased maximum contribution for non-highly compensated employees

Earlier this year, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The ARPA allows employers to increase the annual limit for Day Care Flexible Spending Accounts (FSAs) to \$10,500 for 2021. As a result, we have decided to allow employees who are not highly compensated the opportunity to contribute up to \$10,500 to their Day Care FSA in 2021. A highly compensated employee is defined in accordance with IRS rules and is generally an employee with compensation in excess of \$130,000 in 2020. Additional details about the increased maximum contribution 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 and the Day Care FSA changes SMM](#) for more information. The Day Care FSA changes SMM provides information on extended grace periods and mid-year election changes and enrollments for 2021.

No action is required if you are not eligible or you do not wish to enroll in or make changes to your 2021 Day Care FSA election.

## Increased Contribution Limit

If you are not a highly compensated employee, the maximum annual contribution amount you may elect to contribute to the Day Care FSA for 2021 is now \$10,500 (if you are single or married filing jointly) or \$5,250 (if you are married filing separately). The amount you elect (reduced by any prior contributions – if any) will be deducted from your remaining paychecks in 2021.

If you elect to increase your Day Care FSA contribution or newly enroll, claims against the increased or new annual contribution amount may be incurred on or after January 1, 2021, unless you are newly hired or rehired and have a later benefit eligibility date. Here are some examples to illustrate when expenses may be incurred:

- If you elected the Day Care FSA effective on January 1, 2021, and you make a request to increase your maximum contribution to \$10,500 on August 2, 2021, you can file for reimbursement of eligible day care expenses incurred beginning on or after January 1, 2021.
- If you newly enroll on August 2, 2021, you can also file for reimbursement of eligible day care expenses incurred beginning on or after January 1, 2021, as long as you were an employee on that date.
- If you were hired or rehired during the 2021 year and elect to contribute to the Day Care FSA, you can only request reimbursement for eligible expenses incurred on or after your benefits eligibility date, which is the first of the month following one full month of service with Wells Fargo.

In all cases, you can only be reimbursed up to the amount you have currently contributed at the time your claim is processed. See [“Chapter 6: Day Care FSA” of the Benefits Book and the Day Care FSA changes SMM](#) for more information on timeframes for incurring expenses.

## To request a change

If you'd like to increase your annual contribution amount, newly enroll or 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 increased Day Care FSA maximum mid-year election changes allowed for 2021 and be prepared to elect your new annual contribution amount. Support is available Monday through Friday from 7:00 a.m. to 7:00 p.m. Central Time. Employee Care accepts all relay service calls, including 711.

If you'd like to make a change, 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.