



IRS Allowing Increase to Maximum of Dependent Care Flexible Spending Account

The [American Rescue Plan Act \(ARPA\)](#) was recently signed into law. One of the law's provisions is to temporarily increase the maximum annual contribution amount for the Employer-sponsored Dependent Care Flexible Spending Accounts. The law provides for the following dependent care increases for the 2021 calendar year:

- The maximum contribution has been raised to \$10,500
- For married couples filing separate tax returns, the maximum has been raised to \$5,250.

These increases are only in place for the calendar year 2021.

If you wish to change your contribution, please log into Workday, click the Benefits icon, then Change Benefits, selecting the drop-down change reason as Legislative Flexible Spending Account Change. Please enter the effective date of the new contribution and the new amount, and submit. If you have any questions, please send an email to [benefits](#) and someone will assist you.