

The American Rescue Plan Act, signed into law on March 12, 2021, significantly expands federal assistance to families with children. For the 2021 calendar year, the amount of dependent care assistance program benefits that a participant can exclude from taxable income is increased from \$5,000 to \$10,500 per household. Allowing this increase is employer choice and requires adoption by your plan. Please make your selection below to inform TAG of your intent to adopt this measure:

Dependent Care FSA Contribution Increase for 2021

Plan amendment will provide participants the option to increase Dependent Care FSA contributions up to \$10,500 for calendar year 2021 (or \$5,250 for married filing-separately).

Yes, please amend our plan to increase the maximum contribution amount for Dependent Care FSA's and perform applicable non-discrimination plan testing.

Important Plan Details

Your plan's non-discrimination status may be adversely affected by increasing election amounts. If additional non-discrimination testing is required, a fee of \$100 per test may apply. TAG will perform required plan testing and if necessary assist with recommended election adjustments.

Amendments for the 2021 plan year must be adopted on or before December 31, 2022, and may be effective retroactively to January 1, 2021, so long as the plan operates in accordance with applicable requirements and all eligible employees are informed of the changes. TAG will furnish the necessary plan amendments required to adopt the new legislation for inclusion with your plan. If you would like to modify the amendments in any way, please contact us for assistance at (877)506-1660 or support@enrollwithtag.com.

Name of Organization: _____

Employer Signature

Date

Questions?

Please contact TAG Client Services

P: (877)506-1660

E: support@enrollwithtag.com