



## Option Transfer - Spending Accounts

# 2 How much should I contribute to a flexible spending account?



**Tax Savings for Any Health Plan:** If you want to take advantage of the pretax savings of an FSA for **medical** or **childcare** expenses, you need to sign up every year during the option transfer period (re-enrollment is not automatic!).

- **Not enrolling in an FSA this year?** Jump to the [next step](#)!
- **Not sure if an FSA is for you?** Learn more about [Flexible Spending Accounts](#)

- **Enrolling in an FSA?** Check out the helpful tips below to decide your 2021 contribution level.

Your FSA enrollment must be completed in Workday by 4:30 pm December 31, 2020.

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### 2021 Contribution Limits

**Health care FSA: \$2,750**

- If you and your spouse each have a health care FSA, you can each contribute up to \$2,750

**Dependent care FSA: \$5,000**

- If you and your spouse each have a dependent care FSA, you are limited to \$5,000 between the two of you. If you're

married and filing taxes separately, your contribution limit is \$2,500.

## Contribution Worksheets

[Medical Expense Planning Worksheet](#): Determine the dollar amount you will spend for medical expenses during the plan year.

[Dependent Care Expense Planning Worksheet](#): Determine the dollar amount you will spend for dependent day care expenses during your plan year.

[Common Eligible Health Care Expenses](#): What's covered? What isn't?

[Common Eligible Dependent Care Expenses](#): Details on what is and isn't covered.

## Deadlines and Rollovers

You should assess your needs carefully for both the medical care and dependent care flexible spending accounts and take advantage of all the tax savings you can reasonably estimate.

Up to \$550 of unused money in your current year medical care FSA account will be rolled over into the following plan year account to be used for eligible medical expenses.

The \$550 rollover does not offset the 2021 election amount available. The rollover does not apply to the FSA dependent care account.

The IRS allows Cornell to extend the time that flexible spending dependent care account participants can incur and submit claims for reimbursement. For example, if your 2020 dependent care annual amount is \$5,000, you have until March 15, 2021 to incur additional expenses that can be used for reimbursement against your 2020 annual amount.

You need to submit claims for reimbursement by April 30, 2021, otherwise the "use-it-or-lose-it" rule comes into effect and you will lose the unused funds. It is important that you submit 2020 claims prior to submitting 2021 claims so that your remaining 2020 monies will be exhausted prior to your 2021 monies being used.

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**We encourage you to use this [Workday Decision Enrollment Guide](#) before going into Workday.**

