



## Extended Period to Incur Expenses through Dependent Care FSA

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*No action is needed on your part. This email is for your information only.*

### New Grace Period

Effective with the 2020 plan year, PayPal has implemented a new "grace period" applicable to the Dependent Care Flexible Spending Account (FSA) plan, which extends the time participants may incur eligible expenses.

The grace period extends the plan year (normally a 12-month period ending December 31st) by an additional 2.5 months. This means you now have until March 15, 2021, to incur eligible expenses toward your 2020 FSA-Dependent Care annual goal amount. This grace period is designed to allow you the opportunity to take full advantage of your non-taxable contributions when expenses fall short of what was originally projected, meaning you have extra time to use your unused funds toward eligible expenses during the grace period. The grace period will begin January 1, 2021 and will end March 15, 2021. The claim filing deadline remains April 30, 2021.

### Unused Funds

All funds remaining in the account at the end of the grace period (March 15th) are forfeited according to the Internal Revenue Service (IRS) "use-it-or-lose-it" rule, which requires all remaining funds in an FSA to be forfeited at the end of the plan year. Claims submitted during the grace period (January 1 – March 15, 2021) will be automatically taken out of your 2020 remaining funds before drawing from your 2021 available balance.

### Deadlines

December 18, 2020	Final pay period contribution toward 2020 FSA Dependent Care plan
March 15, 2021	Deadline to incur eligible expenses to be reimbursed from your available 2020 FSA Dependent Care balance
April 30, 2021	Deadline to submit eligible claims to be reimbursed from your available 2020 FSA Dependent Care balance

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## Submitting Claims

To submit your eligible claims, please [log in](#) to your FSA account. If you have questions, please contact the FSA administrator, Smart-Choice, by calling 1-844-474-6641. Follow the prompts by verifying your personal details and then select option 1 (Health & Insurance), and then Option 2 (Healthcare) to reach a Customer Care Representative.