



Important IRS Update to Your 2021 Form W-2

The IRS recently revised the **General Instructions for 2021 Form W-2**.

What changed

The Box 10 employee instructions have been revised as follows:

From:	<i>“This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to figure any taxable and nontaxable amounts.”</i>
To:	<i>“This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over your employer’s plan limit is also included in box 1. See Form 2441.”</i>

What this change means to you

- This change increases the amount you can claim for dependent care from \$5,000 to \$10,500 (\$5,250 married filing separately) for any taxable year beginning 12/31/20 and before 1/1/22.
- The amount reported in Box 10 on your 2021 Form W-2 was not affected by this change.
- Online versions of your 2021 Form W-2 reflect the revised instructions.
- There’s no action required by your employer.

Resources

- [Revised 2021 IRS General Instructions for Forms W-2 and W-3](#)
- [IRS Form Change Announcement](#)