Dependent Care

Flexible Spending Accounts

What is a Dependent Care Flexible Spending Account [FSA]?

A Dependent Care FSA lets you save on dependent care expenses using pre-tax dollars. Only services that allow you and your spouse (if married) to work full-time, attend school on a full-time basis or seek full-time employment are eligible for reimbursement. Your Dependent Care FSA can be used to pay for a wide range of care services for eligible dependents, however, dependents must meet the IRS "Qualifying Person Test" criteria.

Who Is Considered An Eligible Dependent?*

Eligible dependents include children under age 13, a disabled spouse or other disabled dependent, including a legally dependent parent or spouse's parent. Dependents are considered disabled if they are physically or mentally unable to care for themselves.

What Are Some Examples Of Eligible Expenses?

- Care at licensed nursery schools/preschools, after school care, day camps (not overnight camps), child care centers which provide day care and child care/babysitting services in your or someone else's home.
- Services from individuals - other than a dependent of yours or your spouse or your children under 19 years old - who provide care in or outside your home (not routine babysitting).
- Household services (related to the care of the elderly or disabled adults or children who live with you) provided by a housekeeper, maid, cook, etc. as long as the individual is partly responsible for the well-being and care of your qualified dependents. If the care portion of the service cannot be allocated separately, then the entire amount will be covered.

What's In It For You?

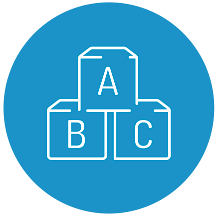
Savings! The amount that you designate is deposited before any applicable federal and state income tax withholding, Social Security and Medicare taxes are deducted.* This means that the funds you set aside to pay for your dependent care expenses are tax-free...saving you money.

* The guidelines listed above are general in nature. For more specific eligibility requirements, please visit www.irs.gov.

Receiving Reimbursement…Easy & Convenient!

FSA participants receive the benefits card, which allows for immediate reimbursement on eligible goods and services. With the prepaid benefits card, you simply swipe the card and the funds are automatically deducted from your Dependent Care FSA for payment**. It is important to note that if your purchase exceeds your accruing contributions, the transaction will decline. When not using the benefits card, you can file your claim electronically through myFlexDollars.com or the mobile app, or you can submit a paper claim for reimbursement via check or direct deposit.

Did you know that these commonly used items and services are all covered FSA expenses? What's in it for you?



Daycare

Preschool

Summer Day Camp

Care Provider Pick-Up/Drop-Off

Senior Daycare

** Please note that there is a two-day delay from the time the funds are deducted from your payroll check to when they become available on the benefits card.

FSA FAQs

How does an FSA work?

First you choose how much money you would like automatically deducted from your paycheck each pay period to be placed in your Dependent Care FSA. Then you can access your contributions by using the benefits card or submitting a paper claim.

How much should I contribute and when can I begin to access my contributions?

As with other FSAs, it is important that you estimate your expenses carefully. Start by adding your current annual child care and elder care expenses to determine your annual contribution. Unlike a Health Care FSA, your entire election is not immediately available for use. Funds only become available as they are contributed, so it is important to make sure that your pay period deductions provide enough available funds to cover your dependent care provider payments.

If you submit a paper claim for an amount that exceeds your account balance, you will be reimbursed on a pay period basis until you have made enough additional contributions to cover the expenses.

What is an example of the potential savings earned from using a Dependent Care FSA?

You Deposit:	$5,000 in your FSA
Increase to take home pay:	**$1100 in Yearly Savings***

* Actual tax savings is dependent upon your state and tax bracket. Savings calculated based on filing jointly in the 22% income tax bracket.

What happens if I don't use all the money in my FSA by the end of the plan year?

By law, employers are not allowed to return leftover money to employees, so any money left in your account will be forfeited. This may sound risky, but only a very small percentage of FSA plan participants ever actually lose money. To avoid this issue, you can keep track of your balance throughout the year using myFlexDollars.com.

Want to learn more about FSAs? Call us at 1-800-307-0230

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