



## Dependent Care Flexible Spending Accounts

The Dependent Care Flexible Spending Account allows employees to pay for qualifying dependent care expenses using pretax dollars. You determine each year how much money you want to contribute to a Dependent Care FSA through pretax salary reduction. Your taxable salary will be reduced by the amount of money you elect to contribute each period and you save the Federal, State and FICA taxes on your contributions. The maximum amount you may contribute to a Dependent Care FSA is \$5,000 per year per household.

You may not change your election during the Plan Year — unless you experience a "permitted change in status event." A permitted change in status event is, marriage, divorce or legal separation, birth or adoption of a child, death of your spouse or dependent, your spouse gaining or losing employment or you or your spouse switching to/from full-time/part-time employment or a change in the cost of dependent care. See your Summary Plan Description for additional information regarding permitted change in status events.

### Dependent Care Expenses & Reimbursements

To qualify, dependent care expenses must be for the care of one or more qualifying dependents. A qualifying dependent is a child under the age of 13 whom you claim as an exemption for federal income tax purposes. A qualifying dependent can also be an adult dependent, over the age of 13, who resides with you and is mentally or physically incapable of self care. In addition, dependent care expenses must be incurred in order to allow you (and your spouse if you are married) to work. Dependent care expenses include costs for babysitters, daycare centers, pre-school tuition, before and after-school care, summer day camps. Dependent care expenses do not include amounts paid for "overnight" camps or regular school tuition for kindergarten or higher grades.

You will be reimbursed for incurred dependent care expenses up to the total amount of money credited to your account. You must spend all of the money in your dependent care FSA each year. Any money remaining in your account following the end of the plan year will become subject to forfeiture if it is not claimed by the claims filing deadline.

### Frequently Asked Questions

**During the year, my child will begin school and will only require care after school hours. Will this be eligible?** Yes.

**My oldest child helps take care of the younger ones when they come home from school. I pay her to provide this care. Will these payments be eligible?** No, the IRS will not permit you to employ a child of yours who is under age 19 or any other dependent of yours for this purpose.

**Each summer I send my dependents to summer day camp. Can I pay this expense through my account?** Yes, you may include the cost of summer day camp. However, you cannot pay for transportation to the camp from the account nor can you pay any expenses related to overnight camp.



**My elderly mother, who is bedridden and requires nursing care, lives at home with me. Can I use this account to pay for her nursing expenses?** No, because the expenses are medical in nature. Also, if your mother lived in a 24-hour nursing home, you could not use this account to pay for her expenses.

**I take my elderly father to an adult daycare facility. Would I be able to use this account to pay for these expenses?** Yes, you are able to claim these expenses as long as you claim your father as a dependent on your tax return and he regularly spends at least eight hours a day in your home.

**My wife is presently working, but when she has our next child she may be staying at home. Can I stop making contributions to my account after the baby is born?** Yes, if you have a change in family status such as a birth of another child, divorce, etc., you can change the amount of contributions to your account. If your wife does stay home, you must stop making contributions because you will no longer have eligible day care expenses.

**Is the amount of child care expenses that is eligible for the dependent care tax credit offset by the amount that I contribute to the Dependent Care Spending Account?** Yes, an employee's child care expenses eligible for the Federal tax credit will be directly offset by the amount the employee contributes to a Dependent Care Spending Account.

**May I submit claims at the start of the plan year for the whole year?** No, future expenses are not reimbursable per the IRS. However, we will accept claims with a start date of service of no more than two weeks in the future.

