DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

# Get More from Your Dependent Care FSA

Your out-of-pocket dependent care expenses don't have to be a big hit on your budget. Contributing to this type of account reduces taxable income and spreads the benefits of pre-tax dollars throughout the year, helping you save 30 percent or more on your dependent care costs.

Use your Dependent Care Flexible Spending Account (DCFSA) to cover these expenses—plus save using pre-tax dollars. Below are examples of IRS-qualified eligible expenses.

## Dependent Care Expenses

- Babysitting (work related) Before- or after-school programs
- Licensed nursery schools
- Qualified childcare centers
- Custodial elder care (work-related)
- Elder care (while you work, to enable you to work, or to look for work)
- Sick childcare
- After school programs
- Summer camps for dependent children under age 13
- Preschool tuition

*This list is not meant to be all-inclusive. For a complete list of qualified dependent care expenses see IRS Publication 503.*

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# Save Hundreds of Dollars Every Year

How much you save is up to you. Decide how much to contribute to your Dependent Care FSA, and funds are withdrawn from your paycheck *before taxes*.

The IRS sets the annual contribution limits for Dependent Care FSAs.  You can contribute up to the maximums listed below:

| Dependent Care FSA | |
|---|---|
| Maximum Annual Contribution Limit; married and filing jointly  or single parent | $5,000 |
| Maximum Annual Contribution Limit; married and filing separate | $2,500 |

Your maximum contribution may not exceed these earned income limitations:

- If you are single, the earned income limitation is your salary, excluding contributions to your Dependent Care FSA
- If you are married, the earned income limitation is the lesser of your salary, excluding contributions to your Dependent Care FSA, or your spouse's salary
- The current maximum contribution is *$5,000 per year for each household. So, even if both you and your spouse have a Dependent Care FSA available through your individual employers, you can only contribute $5,000 total to one or across both accounts.

A different limit may apply to you according to your employer's plan.

# Some Things to Note

- FSAs are use-it-or-lose-it accounts. The funds you contribute don't roll over from year to year. If you and your partner's childcare plans change, then you may be out that money.
- You'll need to make sure all of your expenses qualify. This means tracking receipts, reimbursements, and other qualifying costs associated with your childcare and making sure that all childcare services you use are eligible for the funds in a Dependent Care FSA.

# Start Saving

Sign up during your Open Enrollment period or contact your benefits manager now for more information.