

# Dependent Care Flexible Spending Account

## Why should I choose a Dependent Care Flexible Spending Account (FSA)?

A Dependent Care FSA is a benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for eligible dependent care expenses each year. The Dependent Care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings. You're spending the money either way. This way, eligible childcare and other dependent care costs are a little less.\*

*\*Based on a 30% tax bracket.*

The IRS sets the maximum dollar amount you can elect and contribute to a Dependent Care FSA. The 2020 annual contribution limit is:

Per household - **\$5,000**, per person (if married or filing separately) - **\$2,500**

**Funds available as you contribute.** Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your Dependent Care FSA contributions will be applied to your account and available for reimbursement.

**Use-or-lose.** Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.

**Changing your Dependent Care FSA election.** In order to make changes to your election after open enrollment, you need to experience a qualifying life event, such as:

- Change in marital status
- Change in the number of dependents
  - Increase due to birth, adoption or marriage
  - Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.

## Can I enroll?

You are eligible if you and/or your spouse (if applicable) are gainfully employed, looking for work, or are attending school on a full-time basis.

## What does it cover?

The list includes, but is not limited to, eligible:

- Childcare center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before or after-school care
- Disabled dependent and/or spouse care
- Elder care