

# Dependent Care Flexible Spending Account (FSA)

## Contributions

You determine each year how much money you want to contribute to a Dependent Care FSA through salary reduction. Your taxable salary will be reduced by the amount of money you elect to contribute each pay period. You may only change your election **DURING** the plan year if you experience a "permitted change in status event" as described in your Summary Plan Description - otherwise you may only change your election during the Open Enrollment period.

## Expenses and Reimbursements

You will be reimbursed for incurred dependent care expenses up to the total amount of money credited to your account. For example, if you elect to contribute \$1,200 for the year (\$100 per month) and incur an expense of \$500 in the first month of the plan year, you will be reimbursed \$100 when you submit your claim. The remaining excess expense will be carried over to the succeeding month(s) of the plan year.

You will be reimbursed for dependent care expenses incurred during the plan year. The date the expense is incurred is the date you (or your family member) received the dependent care service. The date you are billed for a dependent care service or the date you paid for a dependent care service is not the date an expense is incurred.

Dependent care expenses must be for the care of a dependent under the age of 13, or if over the age of 13, the dependent must be mentally or physically incapable of self-care. Dependent care expenses must allow you (and if married, your spouse) to work.

- **Expenses Eligible for Reimbursement:**

Au Pair Expenses  
Day Care Center Expenses

Babysitter Expenses  
Preschool Tuition

Before & After School Expenses  
Summer Day Camp Expenses

- **Expenses NOT Eligible for Reimbursement:**

Educational Expenses  
Overnight Camps

Non-Work Related Expenses  
Expenses Paid to a Dependent Child

Kindergarten/Higher Grade Tuition  
Daycare Meals/Supplies

- **Eligible Receipts**

All receipts must indicate the name of the service provider, original date of service, the type of service, and the amount charged, or the Dependent Care provider can sign the claim form. Simple debit card receipts and cancelled check are not acceptable in accordance with IRS guidelines.

- **Choosing Between a Dependent Care FSA and the Dependent Care Tax Credit**

You should determine which is better, the Dependent Care Tax Credit or the Dependent Care FSA, or a combination of both. Consult your tax advisor for more information.

## Forfeitures

The Internal Revenue Service requires that you forfeit any money left in your Dependent Care FSA at the end of the plan year. Therefore, it is very important to determine prior to your participation in the plan how much money you want to contribute to the Dependent Care FSA.