WHAT IS A DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT?

A ***Dependent Care Flexible Spending Account (DCFSA)*** allows you to set aside pre-tax funds from each paycheck to pay for qualified dependent care expenses (such as daycare and general-purpose day camps for dependents under the age of 13*), and those withdrawals are tax-free.

PAY LESS IN TAXES

Jane has an annual income of $50,000. If Jane contributes $7,500 to her Dependent Care FSA, her taxable income is $42,500 making her ***total savings for the year $1,875***.**

HOW DOES IT WORK?

- Once you have enrolled and set your annual election amount, that pre-tax amount will be automatically deducted from your paycheck in equal increments throughout the year.
- Funds will be available as they're deducted from each paycheck and contributed to the plan. This means when payroll is processed and a paycheck is available, the Dependent Care FSA contributions will be applied to your account and be available for reimbursement.
- Before you enroll, you should evaluate the tax advantages, as well as the impact on your tax liability and your ability to take advantage of the Dependent Care Tax Credit.
- If both you and your spouse work, or you are a single parent, a Dependent Care FSA may be right for you. However, if you have a stay-at-home spouse, you should not enroll in a Dependent Care FSA.

2026 MAXIMUM ELECTION

$7,500 per household
$3,750 per person**
***(if married and filing separately)*

Common Dependent Care FSA Eligible Expenses

- Daycare
- Nursery School
- Preschool
- Summer Camps
- Before/After School Programs
- Funds may also be used for adult daycare services for dependents who are unable to care for themselves

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*If a member participates in a Dependent Care FSA, they may not claim childcare credits on their tax return. Before they enroll, they should evaluate the tax advantages for each option as well as the impact on their tax liability and their ability to take advantage of the Earned Income Tax Credit. **Savings amount in the example are provided by Surency for illustrative purposes only. You may save more or less based on your own tax situation. Some states do not recognize these tax exclusions for this program. No part of this document is tax, financial or legal advice. You should consult your own legal and tax advisors regarding your personal situation and whether this is the right program for you.