

WHAT IS A DEPENDENT CARE FSA?



SET ASIDE MONEY TO COVER CHILD CARE EXPENSES, PRE-TAX!

It sure is easy.

PAY LESS IN TAXES

- ▶ Putting money into a Dependent Care Flexible Spending Account (DC FSA) **before** you pay taxes on it saves you money by lowering your amount of taxable income. The result? **You pay less in taxes each year.**

TAKE CONTROL OF YOUR DEPENDENT CARE COSTS

- ▶ Use money in your Dependent Care FSA to pay for **day care, general purpose day camps or after school programs while you are at work** for your dependents who are under 13 years old.
- ▶ Pay for adult day care services for **dependent adults** who are unable to care for themselves. (*Must live with you for more than half of the year.*)

INCREASE YOUR TAKE-HOME PAY	WITH DC FSA	WITHOUT DC FSA
Annual Income:	\$50,000	\$50,000
Pre-Tax Contributions:	\$5,000	\$0
Taxable Income:	\$45,000	\$50,000
Taxes (assumes 25% tax bracket):	\$11,250	\$12,500
Take-Home Pay:	\$33,750	\$37,500
Out-of-Pocket Dependent Care Expenses:	\$0	\$5,000
Spendable Income:	\$33,750	\$32,500
Savings Each Year:	\$1,250	\$0

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.

We make it easy for you to get reimbursed!

Use the Surency Flex mobile app to file claims and take pictures of your receipts, or complete **one form for the entire year** if your dependent care expenses are for the same amount, from the same provider, and for the same length of time. Go to [Surency.com/LarimerCo](https://www.surency.com/LarimerCo) to download the Dependent Care Reimbursement Form.



You have **24/7 access to your account** through the **Surency Flex mobile app** or on your **Member Account** at [Surency.com/LarimerCo](https://www.surency.com/LarimerCo).

Refer to the back of this page for plan rules and regulations.

DEPENDENT CARE FSA PLAN RULES & REGULATIONS



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RULES & REGULATIONS

- ▶ A Dependent Care FSA can help you save money. 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.

MAXIMUM CONTRIBUTION

- ▶ \$5,000 for married couples filing joint federal taxes or single persons filing as head of household.
- ▶ \$2,500 for married couples filing separate federal taxes.
- ▶ If you are single or a married couple filing separately and your earned income is less than \$5,000, then you may not contribute more than your earned income.

ELIGIBLE EXPENSES

- ▶ Use the funds in your Dependent Care FSA to pay for qualified child care expenses for dependents under the age of 13. Some examples include day care and general purpose day camps.
- ▶ You may also use the funds for adult day care services if you have an older dependent who lives with you at least 8 hours each day and requires daily care services. Adult day care services are qualified expenses if you work and your spouse is working, looking for work, is a full-time student, or is physically or mentally incapable of self-care.
- ▶ Dependent care services must have been "incurred", or fully provided and completed, for the service period before you can be reimbursed for your dependent care expenses. This is important to remember because most providers require prepayment of dependent care services at the beginning of the service period before they provide dependent care services. In order to follow IRS requirements, you may only be reimbursed at the end of the service period even if you prepaid the provider for dependent care services.
- ▶ *Ineligible expenses* include, but are not limited to, overnight camps, care provided by your dependent, spouse or child under the age of 19, and care provided while you are not at work.
- ▶ In order for your child care expenses to qualify, you must maintain the residence that you live in for more than half of the year with the qualified child or dependent.

TAX CREDITS

- ▶ 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.

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