

## Save on dependent care while you work.

*Participating in a dependent care flexible spending account is like receiving a 30% discount from your care provider. Enroll today to start saving.*

### What is a dependent care flexible spending account (DCA)?

A DCA is a flexible spending account that allows you to set aside pre-tax dollars for dependent care expenses. Since DCA contributions are deducted from your paycheck before taxes are taken out, they reduce your taxable income. Participants enjoy a 30% average tax savings on their annual DCA contribution.

### Why should I enroll in a DCA?

Child, dependent or elder care is a large expense for many American families. Millions of people rely on child care to be able to work, while others are responsible for disabled family members or older parents. If you pay for the care of any of your dependents in order to work, you'll want to take advantage of the savings this plan offers. Money contributed to a DCA is free from federal income, Social Security, and Medicare taxes and remains tax-free when it is spent.

The chart below illustrates potential savings at various contribution levels:

Tax Status	DCA Contribution	Annual Savings*
Single	\$2,500	\$691
Married	\$3,500	\$968
Married	\$5,000	\$1,383

*\*For illustrative purposes only. Based on a typical tax situation of 15% federal tax, 7.65% FICA, and 5% state income tax. Your tax situation may be different. Consult a tax advisor.*

### Qualifying Dependents

- Your qualifying child under the age of 13, who shares the same residence with you, or
- Your spouse or qualifying child or qualifying relative who is physically or mentally unable to care for him/herself who shares the same residence with you and has income less than the Federal exemption amount.

### Annual Contribution Limits

The IRS limits annual contributions to \$5,000 on income tax returns for single or married filing jointly and \$2,500 for married filing separately.

### Eligible Expenses

DCA funds cover care costs for your eligible dependents while you are at work:

- Before school or after school care (other than tuition)
- Custodial care for dependent adults
- Licensed day care centers
- Nursery schools or pre-schools
- Placement fees for a provider, such as an au pair
- Day camp, nursery school, or a private sitter
- Late pick-up fees
- Summer or holiday day camps

## Ineligible Expenses

These items are never eligible for tax-free purchase with DCA funds:

- Expenses for children 13 and older
- Care provided by a relative that lives in your household or your dependent under age 19
- Educational expenses including kindergarten or private school tuition fees
- Amounts paid for food, clothing, sports lessons, field trips, and entertainment
- Care for dependent while sick employee stays home
- Overnight camp expenses
- Registration fees
- Transportation expenses
- Late payment fees
- Advanced payments

## How It Works

With a DCA, you can only spend up to the amount that has been deducted from your paycheck. If you have a benefits debit card, then you can access your funds with the swipe of a card. Otherwise, you can submit claims for reimbursement.