

## FLEXIBLE SPENDING ACCOUNTS

### What is a Day Care Flexible Spending Account (DCA)?

A Day Care FSA (DCA) is a flexible spending account that allows you to contribute a portion of your paycheck before taxes are taken out to pay for qualified dependent care expenses so that you can work or look for work.

### Why should I participate?

Since contributions to the account are deducted from your paycheck before income taxes are assessed, your taxable income is reduced. Participants enjoy an average of 30% tax savings on the total amount they contribute to the DCA.

### What are some eligible DCA expenses?

- Before and after school care fees
- Private school tuition for pre-school aged child
- Nanny and other in-home day care fees
- Licensed Day care centers
- Summer or Holiday Camps
- Amounts paid to certain relatives for care
- Late pick-up fees
- Nursery schools or pre-schools
- Custodial care for dependent adults

### What are some ineligible DCA expenses?

- Expenses for children 14 or older
- Private school tuition for grades Kindergarten and above
- Overnight camp fees
- Costs paid to in-home staff whose primary purpose is not for the care of your child(ren)
- Transportation costs charged by the care provider
- Cost of educational programs designed to provide primary or secondary school credits
- Late payment fees
- Costs paid for food, clothing, sports lessons, entertainment, field trips

### How do I contribute money to my DCA?

Once you make your annual election during open enrollment, your employer will deduct this amount from your paycheck before taxes are assessed in equal amounts each pay period during the year.

### How much can I contribute?

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.

### Who qualifies as a dependent?

You can use your DCA to pay for care for children under age 14 that you claim as dependents, as well as adults or other qualified relatives that are incapable of caring for themselves while you and your spouse, if married, are actively at work, looking for work, or a full-time student.

### How do I use the funds in my account?

You may pay the qualified day care provider out of pocket and then submit a receipt and claim form for reimbursement to TaxSaver Plan. You will only be reimbursed the amount available in the account based on the amounts deducted from your pay check.

Claims Submission: claims can be submitted by one of the following methods:

<b>Mailed to:</b>	<b>Or faxed to:</b>	<b>Or emailed to:</b>
TaxSaver Plan	214-528-8122	claims@taxsaverplan.com
PO Box 609002		
Dallas, TX 75360		

### What happens if I do not spend all of my DCA funds by the end of the plan year?

Estimate conservatively to be sure you incur enough DCA expenses during the plan year. You have 90 days after the plan year ends to submit expenses incurred in the prior year. Funds in the account after 90 days are forfeited.

### Can I change my DCA election midyear?

Typically, no, but if you experience a qualified event or cost or coverage change, you may request to make a midyear change. If you terminate employment, your account will terminate but you have a spend down provision to submit eligible expenses you incur after termination to clear out the available funds in the account.

### Can I still deduct dependent care expenses on my tax return?

Yes, but not the same expenses for which you have already been reimbursed. If your total day care expenses for the year were \$6000 and you were reimbursed \$5000 from your DCA and you have two or more children, you could claim \$1000 on your tax return.

### How do I obtain information about my account?

TaxSaver Plan's Call Center is available to assist plan participants Monday - Friday from 8:30 - 5:45 CST. Participants may reach the Call Center by phone at 800-328-4337 or [csr@taxsaverplan.com](mailto:csr@taxsaverplan.com). Participants may also access account information on TaxSaver Plan's website at [www.taxesaverplan.com](http://www.taxesaverplan.com).

