

Dependent Care

Flexible Spending Account



Use your dependent care FSA to pay for daycare, preschool or senior care needed for your tax dependents while you and your spouse work, go to school full time, or look for work.

Daycare for Children and Elders



The dependent care FSA can be used to pay for the care of your natural, adopted and foster children who have not reached their 13th birthday (12 years and under) and qualifying relatives who cannot physically or mentally care for themselves. All dependents must live with you for more than half the year.

The IRS defines persons as physically or mentally not able to care for themselves if they cannot dress, clean, or feed themselves because of physical or mental problems. Also, persons who must have constant attention to prevent injuring themselves or others are considered not able to care for themselves.

If a dependent is over the age of 12, Chard Snyder will ask you to provide a letter of medical necessity describing the condition from which they suffer.

When Services May be Provided

Services must be provided while you and your spouse are at work, looking for work or attending classes as a full-time student. Services must be provided during the current plan year.

Dependent Care FSA Eligible Expenses

The IRS determines what expenses are FSA eligible. Eligible expenses are reimbursed if they are incurred by you, your spouse, or your tax dependents during the plan year. The charts below show examples of eligible and ineligible dependent care expenses:

Eligible Expenses

In-Home Babysitter	Summer Day Camp	Outside Babysitter
Daycare Center	Elder Custodial Care	After-School Activities
Nursery School	Elder Daycare	Latchkey Program

Ineligible Expenses

Kindergarten	Virtual Daycare	Piano Lessons
Child Healthcare Expenses	Educational Classes	Food
Household Help	Karate Lessons	Clothing

Am I Eligible for a Dependent Care FSA?

To maximize savings, you can enroll in a dependent care FSA with a health FSA. If you are contributing to a Health Savings Account (HSA), you can also enroll in a dependent care FSA.

Maximum Annual Amount for the Plan

The maximum a household or single head of household may set aside for a dependent care FSA is \$5,000. Married couples filing singly may each set aside up to \$2,500.

Savings



Dependent Care Savings Examples

Annual Tax-free Contribution	\$3,000 (\$250 Monthly)	\$5,000 (\$416.33 Monthly)
Total Annual Savings	\$979.50	\$1,632.50

Savings will vary based on your tax bracket. Examples shown are calculated at 25% Federal and 7.65% Social Security tax savings.

Contact Your Tax Advisor

You should contact your tax advisor to discuss how you might use this benefit with the childcare tax credit.



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Using Your Dependent Care FSA

Easily Access Your Funds

You may submit a claim and receive a check or direct deposit payment for reimbursement from your dependent care FSA account. The Chard Snyder Benefits Card provides an easy, convenient way to use funds to pay for eligible services. Simply swipe the card at your daycare provider and the funds are automatically deducted from your FSA. Plan restrictions may apply to dependent care, and some providers may not accept the benefits card. You can also file a claim on the Chard Snyder Mobile App or your online account.

Please note that dependent care funds are not available until they are deposited in your account after each pay period.

Divorced Parents

The parent the child lives with most of the time may use the dependent care plan even if the other parent claims the child as a tax dependent and regardless of who the court has ordered to pay. If the dependent lives with both parents for the same amount of time per year, the parent with the highest adjusted gross income may use the plan.

Changing the Amount You Choose to Set Aside for Dependent Care

In some instances the IRS allows you to change the amount you put into the dependent care account:

- A dependent becomes eligible (example, becomes impaired)
- A dependent is no longer eligible (example, having their 13th birthday)
- You add dependents to your home (birth, adoption, marriage to a spouse with eligible dependents)
- You lose dependents (death, foster child returns to parent)
- You change to a different care provider that charges more or less
- You or your spouse change work or school hours, which changes the hours that care is needed
- You are divorced and your child moves in with the other parent

Your Human Resources office will need to approve any changes and may impose a deadline for submitting any paperwork they require. Remember, you may not choose an annual election amount that is less than the amount that you have already contributed to your account.

How Does Recurring Reimbursement Work?

1. Submit a claim form, signed by your provider, claiming the total amount you decided to set aside for the year
2. Money is deducted from each paycheck and added to your dependent care account
3. Payments in tax-free dollars are sent to you by Chard Snyder until the end of the plan year
4. You may not be reimbursed each time for more than the current balance in your account

Three Easy Ways to Pay

Tax-free money from your paycheck will be added to your dependent care account balance. The plan works like a checking account in that you can spend only up to the amount you have in your account at the time. You can pay your dependent care provider in one of these three ways:

- Use your Chard Snyder Benefits Card
- Send payment directly from your account by using your Chard Snyder online account
- Pay your provider and then submit a claim for reimbursement. You can submit a claim on the Chard Snyder Mobile App or your online account. If you submit a claim that is for more than the balance in your account, you will be reimbursed for the amount you have in your account at the time; then the rest of your claim will automatically be paid when more money is added.

Go to pages 13 - 14 for more information on how to file FSA claims.

Note: If you are not being paid for any reason (Leave of Absence, unpaid time off, etc.) then no reimbursement will be sent. Your final payment for the year will be paid after the final payroll for the year is entered in our system. If you have a change in status and change the amount taken from your paycheck, your reimbursement will change to match.



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