

## Dependent Care Flexible Spending Account – Frequently Asked Questions

### What is a dependent care flexible spending account?

A dependent care flexible spending account (FSA) is part of your benefits package, and it lets you use pre-tax dollars to pay for eligible, employment-related dependent care expenses for your dependent children or relatives.

Here's how an FSA works. Money is set aside from your paycheck before taxes are taken out. You can then use your pre-tax FSA dollars to pay for eligible dependent care expenses throughout the plan year. You save money on expenses you're already paying for like day care and preschool.

### Why is it a good idea to have a dependent care FSA?

Employees with young children or dependent relatives, who are considered “qualifying individuals,” can benefit from dependent care FSAs. Setting aside pre-tax dollars means you pay fewer taxes and increase your take-home pay by your tax savings. You save money on expenses that you are paying for out of your pocket. The amount you save depends on your tax bracket. For example, if you are in the 30 percent tax bracket, you can save \$30 on every \$100 spent on eligible expenses such as day care, after-school care, elder day care and much more. A full list of eligible FSA expenses is available online at [www.conexis.com/myfsalx](http://www.conexis.com/myfsalx) **Your dependent child under the age of 13 who lives with you for more than half the year**  
**Your spouse or other qualifying dependent who is physically or mentally incapable of self-care and lives with you for more than half the year**

### What if I'm divorced?

Having a dependent care FSA depends on if you are the custodial parent or not.

#### **If you are the custodial parent**

### What if I work part-time?

As a rule, you must allocate (divide) expenses between the days you work and the days you don't. However, if you work part-time but are required to pay for dependent care expenses for a specific time frame (including non-working days), you do not have to allocate expenses between days worked and days not worked. Check out these examples:

**Allocation required** – You work three days a week and chose to put your child in day care five days a week to help you stay gainfully employed. Your cost for the childcare is \$50 per day and \$250 for the week. Because you work part-time and are not required to pay the full \$250 expense, you must allocate your expenses according to your days worked. In this case, your allocated expenses equal \$150 (\$50 per day for the three days worked).

**Allocation not required** – The facts are the same as above, but in this case, your dependent care provider requires that you pay the full \$250 weekly fee no matter how many days of the week that care is given to your child. Here, the full \$250 expense may be considered an employment-related expense and allocation of the expense based on days work is not required.

### What expenses are covered under a dependent care FSA?

A dependent care FSA covers qualified dependent care expenses incurred for the care of one or more eligible dependent children or relatives. Typical eligible expenses include:

**My spouse also has a dependent care FSA. Can we both choose to contribute up to \$5,000?**

No. If you are married and file a joint tax return, your combined maximum election amount is \$5,000. As mentioned, if you are married but filing separate tax returns, the maximum amount is \$2,500. Expenses reimbursed under your dependent care FSA can't be reimbursed under your spouse's dependent care FSA and vice versa. You can't "double dip" from both accounts for the same expenses.

**Is school tuition an eligible dependent care expense?**

No. Tuition fees for kindergarten or first grade and above ar

What do I need to submit along with a reimbursement request form?

If the employee and provider certifications on the reimbursement request form are filled out and signed, you don't need to

**Please note:** The information above assumes that your employer's plan allows all changes permitted under the IRS rules. An employer may restrict mid-year election changes by the way the plan is set up. Please see your Summary Plan Description for specific rules that apply to your plan. If you have a change in status or other qualified event, please contact your human resources or benefits representative to obtain the forms you will need to complete.

**What happens if I stop working for this employer?**

If you stop working for your employer or you lose your FSA eligibility, your plan participation and your pre-tax contributions will end automatically. Expenses for services you have after your termination date are not eligible for reimbursement.

In some cases, your dependent care FSA plan may include a “spend-down” provision. If so, you can submit dependent care expenses incurred after your work termination, if you meet all other participation requirements. This feature is not available in all plans. Please see your Summary Plan Description for specific rules that apply to your plan.

**How do I keep track of my account activity?**

Your account information is available anytime day or night by logging in to your account at [mybenefits.conexis.com](http://mybenefits.conexis.com). Log in and find:

- Real-time account balance
- Claims status
- Reimbursement payment history