



# Do you have Child or Dependent Care Expenses?

## Enroll in a Dependent Care Flexible Spending Account (FSA) to pay for dependent care expenses and lower your taxable income!

Millions of people rely on child care to be able to work, while others are responsible for older parents or disabled family members. A Dependent Care FSA helps reduce your expenses by using pre-tax dollars.

To participate in the Dependent Care FSA you must make an election before the beginning of the plan year. The IRS limits the amount you can put into a dependent care FSA, up to: \$5,000 per year, if you are married & filing a joint return, unmarried couples, & single parents or \$2,500 per year, if you are married and filing separately.

### Dependent Care FSA savings for \$34,551-43,050 gross annual income

Dependent Expenses	Monthly Savings	Annual Savings
\$1,000	\$29.71	\$ 356.50
\$2,000	\$59.42	\$ 713.00
\$3,000	\$89.13	\$1,069.50
\$4,000	\$118.83	\$1,426.00
\$5,000	\$148.54	\$1,782.50



**Expenses That Qualify for FSA Reimbursement:** Licensed day care facility, in-home care (e.g. a nanny), institutional-setting care (e.g. child or adult daycare services), summer day camps, or before and after-school care.

**Expenses That Do Not Qualify for FSA Reimbursement:** You can only use FSA money for expenses that are necessary for you and/or your spouse to work and earn an income. Expenses that do **not** qualify as FSA-approved include: Education (Kindergarten, school tuition), babysitting by minor child or individual claimed as a dependent, enrichment programs and lessons (Music, Sports), custodial nursing care or long-term care for parents not living with you.

**A Qualifying Dependent Is:** A tax dependent of yours who is under age 13, or, any other tax dependent of yours, such as an elderly parent, who is physically or mentally incapable of self-care, a spouse who is physically or mentally incapable of self-care and has the same principle residence as you.

**Claims Process:** Your funds are available on the day they are deducted from your pay. Claims must be filed manually, by fax or mail. Simply complete a claim form and fax it to 585-241-9518 or mail it to: Health Economics Group , ATTN: Flexible Spending Department, 1050 University Ave, Suite A, Rochester, NY 14607. Be sure to attach a copy of a receipt that includes the Federal ID# or SSN of the provider, name and address of the provider, name of dependent receiving the service, amount paid, and date (or date range) the service was provided. Federal form W-10 for each dependent care provider must be on file at HEG. **Reimbursements will be sent via direct deposit ONLY. To avoid delay be sure your current checking or savings account information is on file with HEG.**

### Before enrolling in the dependent care FSA, you should consider the following:

- Dependent Care FSAs are not prefunded. You pay expenses out-of-pocket, then receive reimbursement based on how much you have had withheld from your paycheck for dependent care expenses.
- Contact your tax advisor to compare potential tax benefits with the child and dependent care tax credit. You will need to report your Dependent Care FSA contributions on your federal tax Form 2441.
- Dependent Care FSAs operate with a "use it or lose it" policy, meaning that you must use all of the money you deposited into the account for qualified expenses by the end of the plan year or you will lose your money.
- You can only change the amount of money you choose to have withheld from your paycheck for the FSA within a 31-day window following a "qualified event", such as a marriage, the birth or adoption of a child, the death of a dependent, divorce, change in your (or your spouse's) employment, or a significant increase/decrease in dependent care expenses.

**Need Help?** Contact Health Economics Group at 585-241-9500 ext. 504 or [flex@heginc.com](mailto:flex@heginc.com), or you may contact Human Resources at 585-753-1742 or [hrbenefits@monroecounty.gov](mailto:hrbenefits@monroecounty.gov)