



Dependent Care Flexible Spending Accounts

Work without worry.



A Dependent Care Flexible Spending Account (FSA) helps employees set aside and pay for dependent care expenses such as after-school care or adult daycare for qualifying dependents through pre-tax payroll deductions. Dependent care expenses must be for the purpose of allowing the employee and their spouse, if married, to work.

A qualifying dependent is:

- A tax dependent of the employee who is under age 13.
- Any other tax dependent of the employee, such as an elderly parent, who is physically or mentally incapable of self-care and has the same principle residence as the employee.
- A spouse who is physically or mentally incapable of self-care and has the same principle residence as the employee.

How a Dependent Care FSA works:

- You can put money into your Dependent Care FSA via payroll deduction, in equal installments. Your employer may also choose to contribute to your FSA.
- You can pay for eligible dependent care expenses with your Health Benefits Debit Card directly to your provider, or pay out-of-pocket and submit a claim to HSA Bank for reimbursement.
- When submitting a claim, scan and upload your receipt(s) with HSA Bank's mobile app or your computer.
- Once your claim is approved based on eligibility and availability of funds, reimbursement will be sent to you.
- Check balances and account information via HSA Bank's Member Website or mobile device 24/7.

What are the annual IRS contribution limits?

The Internal Revenue Service limits the amount an employee can put into a Dependent Care FSA. The current limits are:

- up to \$5,000 per year, if married and filing a joint return, or a single parent.
- up to \$2,500 per year, if married and filing separately.

How can you benefit from tax savings?

A Dependent Care FSA provides tax savings to you in several ways:¹

- Contributions made by you and your employer will be excluded from your gross income.
- Withdrawals are tax-free for eligible dependent care expenses.

Eligible dependent care expenses

| After-school care | Adult daycare | Au pair |
|---|--|--|
| The cost of after-school care (i.e., following the end of the school day) is reimbursable. The primary purpose must be for care of the child and not for education. | The person must be a qualifying person for the FSA employee; expenses cannot be attributable to medical care; and the qualifying person must regularly spend at least eight hours each day in the employee's home. | Amounts paid to an au pair are reimbursable. This includes contract fees, background fees, and up-front fees as long as the agency requires them and the au pair has been hired. Note: pre-paid fees are pro-rated throughout the contract period. |

Did you know?

- Under IRS guidelines, employees can only be reimbursed for dependent care that has already taken place.
- Employees can only be reimbursed for the amount they have already contributed to their Dependent Care FSA.
- Unlike the Healthcare FSA, the full amount of the dependent care election is not available January 1st.

For additional information, refer to Publication 503 on the IRS website at www.irs.gov.

¹ HSA Bank does not provide tax advice. Consult your tax professional for tax-related questions.

For assistance, please contact the Client Assistance Center



800-357-6246

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