

Dependent Care Employee Handout



**GIVE
YOURSELF
A PAY RAISE**

Who couldn't use a little more money? That's what you'll receive when you take advantage of the Dependent Care Flexible Spending Account (FSA). A Dependent Care FSA allows you to set aside a portion of your salary, before taxes, to pay for qualified dependent care expenses. Because that portion of your income is not taxed, you end up with more money in your pocket.

Dependent Care Flexible Spending Account (FSA)

A Dependent Care Account is a simple way to save money on care for your dependents. It allows you to set aside pre-tax dollars to pay for day care expenses. The annual IRS limit for this type of account is \$5,000. If you are married and file separate returns, you can each elect \$2,500 for the calendar year. To be eligible for this type of account, both you and your spouse (if applicable) must work, be looking for work or be full-time students. You may receive reimbursement up to the current balance in your account at the time the request is made.

Eligible Dependents

- Children under age 13 who are claimed as a dependent for tax purposes
- Disabled spouse or disabled dependent of any age

Ineligible Expenses

- Costs claimed as a dependent care tax credit on your tax return
- Services provided by one of your dependents
- Expenses for nighttime babysitting
- Your own dependents, under age 19, babysitting
- Expenses paid for school (Kindergarten and above)

Recurring Dependent Care Reimbursement

You can eliminate the need to submit substantiation throughout the year for dependent care expenses by enrolling in Recurring Dependent Care. This process only requires you to submit one form per year for each day care provider used during the year. If your cost of dependent care per month is less than your monthly payroll deduction or you have currently contributed more to your plan than you have incurred in expenses, you do not qualify for Recurring Dependent Care and you'll need to file claims as services are incurred.

The Recurring Dependent Care Request Form can be found in the consumer portal. This form must be completed by you as the participant and by your day care provider. A separate form must be completed for each day care provider if you use more than one.

Accessing Your Account

Access your online account from our website at www.DiscoveryBenefits.com. You can submit expenses online, through the toll-free fax, via email or by mail. Your money will be directly deposited into your checking or savings account, or you can receive a check in the mail.