



Dependent Care Flexible Spending Accounts

The Dependent Care FSA lets you use **tax-free** dollars to pay for child and elder day care costs incurred so that you and your spouse may work or attend school full-time. **This account is not to cover your dependents' health care expenses; use the Health Care FSA for that.**

The IRS allows a family maximum contribution of \$5,000 per calendar year to the Dependent Care FSA. If your spouse also participates in a Dependent Care FSA, your combined contributions cannot be higher than the family maximum. If you are married and file separate tax returns, the maximum amount you can contribute is \$2,500. Special rules apply for determining the earned income of a spouse who is disabled, a full-time student or unemployed. Please contact TRI-AD or your tax advisor for more information.



Learn More Online
Log in at www.tri-ad.com

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Unlike the Health Care FSA, the amount available for reimbursement from your Dependent Care FSA is the amount you have contributed to date. If a claim exceeds the amount currently in your account, you will receive partial payments based on your account balance until the expense is fully paid or your contributions for the plan year cease.

Eligible Dependents

The dependent must live in your home for at least eight hours a day to qualify for Dependent Care FSA expenses. The dependent must also meet at least one of the following requirements:

- Under age 13 who you claim as a dependent on your income tax return or if you are legally separated or divorced, for whom you are the custodial parent.
- A child, spouse or other dependent who has been deemed physically or mentally incapable of self-care, and for whom you claim a dependency deduction on your federal income taxes.



IRS Guidelines

- Dependent care expenses paid to one of your dependents are not reimbursable. For example, money you pay to your 17-year-old to watch your 12-year-old cannot be claimed.
- Day care centers that care for more than six children must be licensed.
- Expenses can only be reimbursed **after** they have been incurred. If you prepay your day care, you may not submit it for reimbursement until after the service has been rendered. For example, if you pay for the entire month of July on July 1, you may not submit your reimbursement request until July 31.

Dependent Care FSA or Federal Income Tax Credit: Which is Right for You?

The IRS allows a tax credit for dependent care. You cannot claim the same expenses for both the Dependent Care FSA and Federal Income Tax Credit, so you need to decide which is better for you. In general, higher wage-earners and those with one eligible dependent benefit more from the Dependent Care FSA, and lower wage-earners and those with more than one child may benefit more from the tax credit. Your situation is unique, so we suggest you consult with your tax advisor before making your choice.

Eligible Expenses

Eligible Expenses	Your estimated expenses
Dependent care in or outside your home	\$
Preschool tuition, if part of the total dependent care	\$
Before and after school care	\$
Summer day camps (including activity-based camps where the activity and day care fees are integrated). Overnight camps, summer school programs, food and equipment costs are not eligible for reimbursement. For example, if your child goes to soccer camp, the day camp costs would be eligible but equipment fees would not.	\$
Annual Total	\$