Dependent Care 101

The Dependent Care Flex-Spending (FSA) *allows participants to set aside a portion of their pay pre-tax for reimbursement of "qualified childcare expenses" for dependent children under age 13, including day care, preschool tuition, before/after-school care, and day camp programs during school breaks. This benefit may also be used for dependents (over the age of 12) with special needs, including elder care.*

How the Dependent Care FSA Works

- **Money Comes Out of Your Paycheck Non-Taxed.** Your employer sends your non-taxed payroll deductions to ebm Insurance Solutions (ebm) to deposit the monies into your Dependent Care account.

  Your paycheck deduction amount is based on your annual Dependent Care FSA election divided by the number of pay periods in the plan year. The maximum election is $7,500 per year, per family.

- **You Pay Your Childcare Provider(s).** We don't pay your childcare provider(s). You pay them out-of-pocket, and we reimburse your expenses from your available Dependent Care account balance.

  Note: If your childcare provider does not report the money you pay as income on their taxes or won't provide you with their Tax ID/Social Security number, fees paid to them *are not reimbursable* through your Dependent Care FSA account.

- **Accessing Your Dependent Care FSA Monies.** To be reimbursed from the funds that have accrued in your account via payroll deduction, you need to submit a claim(s) for reimbursement. Claims may be filed via fax, email, or online via your account portal or our app.

Here are your claim submission options—*choose the one that works best for you:*

1) **Regular, on-going Reimbursements**. If you submit a claim for your full annual election amount right at the start of the plan year, you will receive automatic reimbursements about one week after we receive each paycheck deduction from your employer. Note: This is the general turnaround time for most employer plans, but it is not a guarantee; holidays, mailing delays, etc., can impact the reimbursement schedule.
2) **Periodic Reimbursements**. You can also submit a claim(s) periodically, such as monthly, quarterly, or whenever your account balance reaches a certain dollar amount that suits you (e.g. $500, $1000, etc.).
3) **Lump-Sum Reimbursement**. Submit your claim at the end of the plan year to receive a lump-sum reimbursement of all deductions accrued during the plan year.

Note: Dates of service must fall within the plan year and occur while actively employed. The deadline to submit claims to ebm is within 90 days of the end of the Plan Year. Unclaimed funds are subject to forfeiture under IRS rules.

- **Expense Documentation**. We don't need to see your childcare bills or receipts if you complete the Dependent Care Claim Certification Form with your childcare provider's information (name, address, and Tax ID number or Social Security number if the provider is an individual), but you should keep the bills and receipts for tax purposes.

* This benefit is for qualified expenses incurred for the care of eligible dependents named on your tax return for you to be able to work. Overnight camp and school tuition for kindergarten and up are not eligible. Extra-curricular and enrichment programs/activities, including sports, that aren't daycare/childcare-based are also not eligible. Nanny services may be eligible. Fees unrelated to the direct care of the dependent(s) are not reimbursable. Dependent Care Reimbursement Plan Guidelines are governed by the Internal Revenue Service.. Dependents must qualify under regulations set forth in IRC Sections 152 and 129.

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