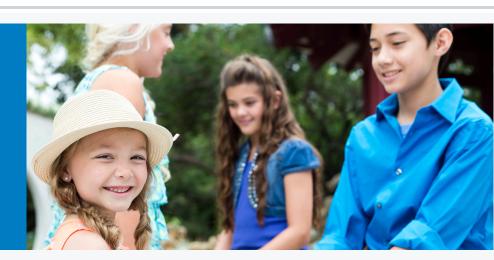


## DEPENDENT CARE FSA QUICK FACTS

#### TAKE CONTROL OF YOUR DEPENDENT CARE EXPENSES



**Dependent Care FSA** means
more money in
your pocket.



#### Pay Less in Taxes

Set aside money **BEFORE** you pay taxes on it. When you set aside money in a dependent care flexible spending account (DC FSA), you lower your amount of taxable income, meaning you pay less in taxes each year.

## Take Control of Your Dependent Care Costs

- : Use money in your dependent care FSA to pay for day care, babysitting and general purpose day camps for your dependents who are under 13 years of age.
- : Pay for adult day care services for dependent adults who are unable to care for themselves (*live with you at least 8 hours per day*).
- : 24/7 access to your account through our secure, online portal at **Surency.com**.
- : Have questions? Customer service calls are answered by a live person within an average of **ten** seconds.

#### Increase Your Take-Home Pay

Paying fewer taxes means you keep more of the money you earn. In the example shown, John and his wife estimate they will spend \$5,000 on day care expenses for their child next year. Here's how they can save with a dependent care FSA:

	With Dependent Care FSA
Annual Income:	\$40,000
Pre-Tax Contributions:	5,000
Taxable Income:	\$35,000
Taxes:	<u>8,750</u>
Take-Home Pay:	\$26,250
Out-of-Pocket Dependent Care Expense	es: <u>0</u>
Spendable Income:	\$26,250
Savings Each Year:	\$1,250
	*assumes a 25% tax bracket

\*assumes a 25% tax bracket

Refer to the back of this page for plan rules and regulations.

Savings amounts in the example are provided by Surency for illustrative purposes only. You may save more or less based on your own tax situation. Some states do not recognize these tax exclusions for this program. No part of this document is tax, financial or legal advice. You should consult your own legal and tax advisors regarding your personal situation and whether this is the right program for you.

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# DEPENDENT CARE FSA QUICK FACTS

#### TAKE CONTROL OF YOUR DEPENDENT CARE EXPENSES

#### Rules and Regulations

A dependent care flexible spending account can help you control your child care expenses while saving you money. If both you and your spouse work, or you are a single parent, a dependent care FSA may be right for you. However, if you have a stay-at-home spouse, you should not enroll in a dependent care FSA.

#### **Maximum Contribution**

- \$5,000 for married couples filing joint federal taxes or single persons filing as head of household.
- : \$2,500 for married couples filing separate federal taxes or single persons filing as head of household.
- : If you are single or a married couple filing separately and your earned income is less than \$5,000, then you may not contribute more than your earned income.

## **Eligible Expenses**

- : Use the funds in your dependent care FSA to pay for qualified child care expenses for dependents under the age of 13. Some examples include day care, babysitting and general purpose day camps.
- You may also use the funds for adult day care services if you have an older dependent who lives with you at least 8 hours each day and requires daily care services. Adult day care services are qualified expenses if you work and your spouse is working, looking for work, is a full-time student, or is physically or mentally incapable of self-care.
- : Unlike a health care FSA, you may only use the funds that have been deposited into your account to pay for expenses that have already been incurred. While you may pay in advance for child care services, you may only be reimbursed as the expense is incurred and as contributions are made to your account.
- : Ineligible expenses include, but are not limited to overnight camps, care provided by your dependent, spouse or child under the age of 19, and care provided while you are not at work.
- : In order for your child care expenses to qualify, you must maintain the residence that you live in for more than half of the year with the qualified child or dependent.

#### Tax Credits

- : If you participate in a dependent care FSA, you may not claim child care credits on your tax return.
- : Before you enroll, you should evaluate the tax advantages for each option, as well as the impact on your tax liability and your ability to take advantage of the Dependent Care Tax Credit.

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