



Dependent Care Expense Worksheet

Dependent Care Flexible Spending Accounts (FSAs) are qualified benefits under Internal Revenue Code (IRC) Section 125. A Dependent Care FSA can help you pay your eligible out-of-pocket dependent care costs while increasing your spendable income.

HOW IT WORKS

When you participate in a Dependent Care FSA, you elect to have a specified number of tax-free dollars deducted from your gross earnings before taxes are calculated. Internal Revenue Service (IRS) regulations govern the eligibility of expenses. Adequate documentation that verifies the eligibility of an expense must be obtained from the provider. Note that the date a service is provided (not the date of payment) determines the plan year in which an expense is eligible.

Because of the “use-or-lose” rule (described in your Summary Plan Description), it is important for you to plan carefully.

DEPENDENT CARE ELIGIBLE EXPENSES

- \$ Adult Day Care
- \$ Before/After School Care
- \$ Child Day Care
- \$ In-Home Dependent Care
- \$ Nursery School
- \$ **TOTAL PLAN YEAR ESTIMATE**

The federal government sets the amount that can be contributed per calendar year to a Dependent Care FSA. The current amount is limited to the smallest of the following amounts:

- \$5,000 if single or if married and filing jointly
- \$2,500 if married and filing separately
- The participant’s earned income
- The earned income of the participant’s spouse

\$ **TOTAL PLAN YEAR TAX SAVINGS (X 35%)**

YOU MAY USE THIS ACCOUNT FOR EXPENSES THAT MEET THESE QUALIFICATIONS:

EXPENSES MUST BE FOR THE CARE OF A QUALIFIED PERSON.

A qualified person is someone who spends at least eight hours per day in your home and is one of the following:

- Your dependent who was under age 13 when the care was provided and for whom you can claim an exemption. (If divorced or separated, see special regulations in IRS Publication 503.)
- A spouse or dependent who is physically or mentally incapable of self-care, has the same principal place of abode as you for more than half of the year, and for whom you can claim an exemption.

THE CARE MUST ENABLE YOU TO BE GAINFULLY EMPLOYED OR TO LOOK FOR WORK.

If you are married, the dependent care must also enable your spouse to work, look for work or attend school full-time.

SERVICES MUST BE FOR PHYSICAL CARE

Not for education, meals, diapers, etc.

AMOUNT CLAIMED

It must not exceed the lesser of you or your spouse’s earned income for the Plan Year.

THE SERVICES MAY BE PROVIDED IN YOUR HOME OR ANOTHER LOCATION

However, they may not be provided by someone who is your minor child or dependent for income tax purposes (e.g. an older child).

DAY CARE FACILITY

If the services are provided by a day care facility that cares for six or more individuals at the same time, the facility must comply with state day care regulations.

OVERNIGHT CAMPS AND LESSONS IN LIEU OF DAY CARE

These are not eligible for payment from a Dependent Care FSA.

YOU MUST IDENTIFY THE CARE PROVIDER ON YOUR INCOME TAX RETURN

Form 2441 with a 1040 return; Schedule 2 with a 1040A return.