

Save Money by Joining the FAMILY CARE SPENDING ACCOUNT



Value to you...

According to the U.S. Department of Health and Human Services, child care costs range from \$3,000 to \$15,000 per year, depending on where you live, age of the child, and quality of daycare. The cost of adult day care can be even more expensive.

Depending on your tax bracket, you may cut your out-of-pocket dependent care expenses by 30% or more by using a FCSA.

Eligibility

You may enroll in the FCSA if you are:

- A single parent or guardian
- Married with a spouse who is working, a full-time student, or physically or mentally disabled
- A non-custodial parent with children you claim as dependents on your IRS Form 1040, and you pay their day care expenses directly (not through child support)
- You or your spouse is pregnant and expecting to return to work following the child's birth

How Your FCSA Account Works

Estimate Your Expenses. Before you enroll, you estimate how much you will spend on dependent care expenses for the coming year. Use the *Family Care Spending Account Worksheet* to help you estimate those expenses. You should review eligible expenses from the prior year to help you determine what to anticipate for the coming year. Estimate carefully because you will forfeit any unused money in your account at the end of the year.

Choose Your Amount. You can choose from \$200 to \$5,000 of your pay to place in your FCSA. The amount you choose will come out of your paycheck in equal deductions over 40 pay periods (20 if paid bi-weekly). For example: If you choose \$1,000, your paycheck deduction would be \$25 weekly or \$50 bi-weekly.

File a Claim. When you have eligible expenses, you pay for them as you normally would. Then you file a claim. As you incur eligible expenses during the year and pay for them out of your own pocket, you get your money back out of your account with tax-free money.

Resources

Information about the Tax Credit – Publication 503 at www.irs.gov.com

FCSA Summary Plan Description – <https://SodexhoBenefits.com> or call Dexter at 1-877-633-9837 for a copy

About the Family Care Spending Account

Cost is a major issue in households where child care or the care of elderly parents are needed. Families spend an average 16 - 26% of income on child care. Families who are caring for aging relatives find themselves in similar situations. Eder care, whether in-home or out-of-home can put a tremendous strain on a working family's budget and time. The Family Care Spending Account (FCSA) offers a way to better manage these expenses and gain real tax savings, as well.

Note: The FCSA is intended to cover costs of child or elder care and does not cover any medical or health care costs for your dependents.

Eligible Dependents

You can use your FCSA to pay expenses for:

- Your dependent children up to their 13th birthday
- Disabled dependents (including elderly parents) who spend at least 8 hours a day in your home and get at least half their support from you

Eligible Expenses

You can use your FCSA to pay for dependent care expenses such as:

- Pre-school, day camp, care before or after school
- Licensed child care or adult care center that meets all state and local regulations
- Adult day care (but not nursing homes)
- Day care by a licensed provider in your home or someone else's home, or a housekeeper whose duties include watching your children

Under current tax law, you can save taxes on dependent care expenses by either claiming a tax credit on your federal income tax return or by participating in the FCSA. Both are intended to offer you tax savings. The best method for you depends on your income, the number of dependents you have, and other factors. You may use both approaches, but you may not "double deduct" the same expense. To determine if a tax credit or reimbursement through a FCSA is better for you, consult your tax advisor.