



## The *Dependent Care* Flexible Spending Account

Use tax-free payroll deductions to pay for child or adult dependent daycare.

The BESTflex<sup>SM</sup> Plan Dependent Care Flexible Spending Account (FSA) is an IRS-approved, tax-free benefit plan that pays for daycare expenses incurred for your eligible dependents. You decide the amount per paycheck your employer deposits into this account and that amount is deducted from your annual taxable income.

You submit claims for daycare expenses to Employee Benefits Corporation and, once you've received the service, we reimburse you using the funds you've placed in your Dependent Care FSA.

### Some considerations

You must work and your spouse, if you are married, must work, be a full-time student or be looking for work for you to participate in the Dependent Care FSA.

If you file taxes as "Single" or "Married, filing jointly," you can make a maximum election of \$5,000; if filing taxes as "Married, filing separately," the maximum election amount is \$2,500.

The Dependent Care FSA can only reimburse you up to the amount available in your account when you submit your claim. Putting it another way, your current balance is the maximum reimbursement you can receive.

### Filing claims and reimbursement

You can submit claims and attach documentation online by logging into your account at [www.ebcflex.com](http://www.ebcflex.com). If you have an Android smartphone or Apple iPhone, you can download "My Mobile Account Assistant." It lets you view your account balance, submit claims and attach documentation. Download it from **GooglePlay** or the **Apple App Store**.



Claims for daycare expenses can only be submitted to us up to 8 weeks in advance.

**However, you are not reimbursed until after the the last day of service listed on your claim.** For example, if you date-span

your request to encompass 8 weeks, your payment will not be issued until the last day of the eighth week.

To be reimbursed as often as possible, one solution would be to file each week as a separate line item.

### Eligible expenses

- A.** Charges for daycare services outside your home for a "qualifying child" who is under the age of 13 and who depends on you (and your spouse, if you are married) for at least half of his/her support, does not have his/her own dependents, and is not a "qualifying child" of any other taxpayer during the year
- B.** Charges for care outside of your home for your spouse, dependent adult or child who is mentally or physically incapable of caring for himself or herself and has the same principal place of abode; the spouse or dependent must spend at least 8 hours of each day in your house

- C. You may be reimbursed for expenses to provide care to the individual(s) described above in your home if the services are, at least in part, so you (and your spouse, if you are married) may work; the expenses include wages paid to the service provider, but not expenses such as food or clothing

In the case of divorce, legal separation or parents living apart, special rules apply. In general, the custodial parent is the one with whom the child has resided with for the longest period of time or with whom the child has spent the most evenings during the year.

The following partial list of services are examples only and must comply with the rules listed above in order to be eligible for reimbursement.

*Care for a sick child enabling parents to work*

*Care for a child incapable of self-care*

*Elder Care*

*Child care by a relative that isn't a dependent*

*Babysitter that is not a dependent or spouse*

*Nanny fees*

*Au Pair*

*Nursery school and pre-school*

*Before and after school care*

*Day camp (not overnight)*

*Field trips*

*FICA taxes paid to a daycare provider*

### Ineligible services

*Schooling (nursery school and preschool are generally not schooling; kindergarted, however is considered schooling and is ineligible)*

*Overnight camps*

*Health care expenses*

*Services provided by a person whom you or your spouse could claim as a deduction on your tax return or any of your children who are under age 19*

*Meals, supplies and materials*

### Runout period

While all expenses must be incurred during the plan year, you have a 3-month period after the plan year ends to request reimbursement for those expenses. Please review My Company Plan to verify the number of days available for you to submit claims under your company's BESTflex Plan.

### Making changes

The Dependent Care FSA allows you to make corresponding election changes for increases or decreases in fees you pay for services unless the provider is a relative either by blood or marriage. There are other Qualifying Events that allow you to make changes to the Dependent Care FSA.

Please refer to the Summary Plan Description you received as part of your enrollment materials for specific details on qualifying events.