



Dependent Care Flexible Spending Accounts

Work without worry.



A Dependent Care Flexible Spending Account (FSA) helps employees set aside and pay for dependent care expenses such as after-school care or adult daycare for qualifying dependents through pre-tax payroll deductions. Dependent care expenses must be for the purpose of allowing the employee and their spouse, if married, to work.

A qualifying dependent is:

- A tax dependent of the employee who is under age 13
- Any other tax dependent of the employee, such as an elderly parent, who is physically or mentally incapable of self-care and has the same principle residence as the employee.
- A spouse who is physically or mentally incapable of self-care and has the same principle residence as the employee.

How a Dependent Care FSA works:

- You can put money into your Dependent Care FSA via payroll deduction, in equal installments. Your employer may also choose to contribute to your FSA.
- You can pay for eligible dependent care expenses with your Health Benefits Debit Card directly to your provider, or pay out-of-pocket and submit a claim to HSA Bank for reimbursement.
- When submitting a claim, scan and upload your receipt(s) with HSA Bank's mobile app or your computer.
- Once your claim is approved based on eligibility and available funds, a check will be sent either to your provider or to you (whichever you request).
- Check balances and account information via the member website or mobile device 24/7.

What are the annual IRS contribution limits?

The Internal Revenue Service limits the amount an employee can put into a Dependent Care FSA. The 2014 limits are:

- up to \$5,000 per year, if married and filing a joint return, or a single parent.
- up to \$2,500 per year, if married and filing separately.

How can you benefit from tax savings?

A Dependent Care FSA provides tax savings to you in several ways¹:

- Contributions made by you and your employer will be excluded from your gross income.
- Withdrawals are tax-free for eligible dependent care expenses.
- The money deducted from your paycheck for the Dependent Care FSA is not subject to Federal or state taxes.

Eligible dependent care expenses

After-school care	Adult daycare	Au pair
The cost of after-school care (i.e., following the end of the school day) is reimbursable. The primary purpose must be for care of the child and not for education.	The person must be a qualifying person for the FSA employee; expenses cannot be attributable to medical care; and the qualifying person must regularly spend at least eight hours each day in the employee's home.	Amounts paid to an au pair are reimbursable. This includes contract fees, background fees, and up-front fees as long as the agency requires them and the au pair has been hired. Note: pre-paid fees are pro-rated throughout the contract period.

Did you know?

- Under IRS guidelines, employees can only be reimbursed for dependent care that has already taken place.
- Employees can only be reimbursed for the amount they have already contributed to their Dependent Care FSA.
- Unlike the Healthcare FSA, the full amount of the dependent care election is not available January 1st.

For additional information, refer to Publication 503 on the IRS website at www.irs.gov.

¹ HSA Bank does not provide tax advice. Consult your tax professional for tax-related questions.

For assistance, please contact the Client Assistance Center



800-357-6246

Monday – Friday, 7 a.m. – 9 p.m., and Saturday 9 a.m. - 1 p.m., CT

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