plansource



Dependent Care FSA

Do you want to save 30% on daycare or caregiving expenses? Enrolling in a dependent care flexible spending account (FSA) can save you up to $1,500 a year.

What is a dependent care FSA?

A dependent care FSA is an account that lets you set aside money before taxes to pay care providers who watch your children and eligible dependents while you're at work.

What can it be used for?

Eligible expenses include before- or after-school care for children 12 or younger, custodial care for dependent adults, licensed daycare centers, a nanny or au pair, preschools, and day camps.

How does it work?

1. During open enrollment, sign up for a dependent care FSA.
2. Choose how much money you'd like to set aside for daycare or caregiving expenses.
3. The amount of money you've chosen will be divided equally and deducted from your paycheck over the course of the year.

When can I use it?

Reimbursement won't be processed until you have enough funds in your account.

Helpful Tips

Plan ahead to maximize your dependent care FSA and use all your funds each year.

- Calculate how much you would normally spend on your dependents' care for 12 months.
- Note that there is an annual contribution limit.
- Set up direct deposit to receive reimbursements faster.
- Download the My Benefits Account App to check your account balance and send your claim by uploading a photo of your detailed receipt.

Did You Know?

- You can also use funds for a licensed after-school program or summer camp if your child is age 12 or younger or is disabled.
- If you experience a qualifying event, like having a baby or assuming care for an elderly person, you can sign up outside of the annual enrollment period.
- If your care provider changes rates or fees, you may also adjust the amount you set aside.

Frequently Asked Questions

Dependent Care FSA (DCFSA)

1. **What is a dependent care FSA (DCFSA)?**
   A dependent care FSA (DCFSA) is an account that lets you set aside money before taxes to pay care providers who watch your children and eligible dependents while you're at work.

2. **Why should I enroll in a DCFSA?**
   The money you put into a DCFSA is set aside from your paycheck before taxes. On average, participants enjoy a 30% tax savings on their annual contribution. This means you could be saving up to $1,500 per year on dependent care expenses!

3. **How do I contribute money to my dependent care FSA?**
   The amount you elect as your annual contribution will be divided by the number of paychecks for the year. This pay period amount will be deducted from each paycheck before taxes.

   You can then use the money in your account to pay for eligible dependent care expenses throughout the plan year.

4. **Who qualifies as a dependent?**
   Dependents are children under age 13, that you claim as dependents, as well as adults or other relatives that are incapable of caring for themselves (if you provide more than 50% of their support).

5. **When can I use my dependent care FSA?**
   You can use funds from your dependent care FSA under the following conditions:

   - To care for your qualified dependent.
   - To allow you (and your spouse if filing jointly) to work or look for work.

   Dependent care FSA funds can cover costs for before or after school care for children aged 12 and younger, custodial care for dependent adults, licensed daycare centers, nanny or au pair services, nursery schools or preschools, late pickup fees, and summer or holiday day camps.

6. **What doesn't qualify?**
   There are certain expenses you cannot pay for using your dependent care FSA. These include expenses from a prior plan year, expenses for non-disabled children aged 13 and older, educational expenses (including kindergarten or private school tuition fees), food, clothing, sports lessons, field trips and entertainment, overnight camp expenses, and late payment fees for childcare.

7. **Can I use my entire dependent care FSA election amount at the beginning of the year?**
   No, you will only have dependent care FSA funds as they are equally deducted each pay cycle. Funds will accumulate in your account until you either file a claim for reimbursement or you use your dependent care FSA Mastercard card.

8. **Are there any rules about who can care for my dependents?**
   Yes, you cannot use funds to pay for care provided by a spouse, a person listed as a dependent on your taxes, or your child under the age of 19.

9. **How do I use my dependent care FSA to pay for qualified expenses?**
   If your care provider accepts Mastercard, you can use your PlanSource dependent care FSA debit card for eligible expenses. You'll need to wait until you have accumulated enough funds in your account to use the debit card, so make sure to check your balance on the PlanSource Participant Portal or My Benefits Account App.

   You can use personal funds and then reimburse yourself with funds from your dependent care FSA by submitting an online claim through the PlanSource Participant Portal or via the My Benefits Account App. You'll need to provide photos of receipts when you submit a claim for reimbursement. Reimbursement won't be processed until you have enough funds in your account.

10. **What happens if I don't spend all my dependent care FSA funds by the end of the plan year?**
    Any unused funds that are in your account at the end of the year will be forfeited, which means you will lose that money. Plan carefully so that you use all the money in your dependent care FSA by the end of the plan year.

11. **Can I change my election amount mid-year?**
    You can only enroll or change your election amount mid- year if you have a special event like a birth, death or assume care for an elderly person. If your care provider changes rates or fees, or your child turns 13 you may also adjust the amount you set aside.

12. **What happens to my account if I lose my job or quit?**
    Unfortunately, participation in your dependent care FSA is discontinued as of your last day of employment. Expenses for services rendered after your termination date are not eligible for reimbursement.

Sign up for a dependent care FSA and start saving today!