



Dependent Care Flexible Spending Accounts

Helping families

Your **USG Dependent Care Flexible Spending Account (DC-FSA)** lets you set aside pre-tax payroll dollars to pay for dependent care expenses, including after-school care or adult daycare for qualifying dependents. These expenses must be for the purpose of enabling you (or your spouse, if married) to work.

Who qualifies as a dependent?

- 1** A tax dependent **under age 13**. Your child must be under 13 for the full year or you can only submit for expenses up to when your child turns 13.
- 2** Any other tax dependents living with you, such as a spouse or elderly parent, **physically or mentally incapable of self-care**.

How a DC-FSA works:

- Contribute to your DC-FSA pre-tax, through payroll deduction.
- Pay for eligible expenses; pay your provider directly with your debit card or pay out of pocket and submit a claim for reimbursement.
- To submit a claim, scan and upload your receipt(s) through the Member Website or mobile app.
- Once your claim is approved based on eligibility and availability of funds, you will be reimbursed.
- Check balances and account information on the Member Website or mobile app 24/7.

How much can I contribute?

The IRS limits the amount you can put into a DC-FSA. As a USG employee, the annual contribution limit is \$5000 or \$2500 if married filed separately.

How can you benefit from tax savings?

- When you make contributions to your DC-FSA, this lowers your pay before federal and state income taxes are withheld. This saves you on taxes today.
- And when you take money out for eligible dependent care expenses, you aren't taxed on your withdrawal.

Eligible Dependent Care Expenses include:

Adult daycare

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.

After-school care

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.

Au pair

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.

What's covered?

Visit hsabank.com/qme for a summary of common eligible dependent care expenses. For more details on qualified expenses, refer to Publication 503 at irs.gov.

Did you know?

- Under IRS guidelines, you can only be reimbursed for dependent care that has already taken place.
- Unlike a Healthcare FSA, your full dependent care election is not available January 1. You can't get reimbursed for more than you have currently in your account.

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