



your dependent care fsa

WHAT IS A DEPENDENT CARE FSA?

A Dependent Care FSA is a reimbursement account that allows you to set aside a certain amount of money each paycheck on a pre-tax basis to pay for your eligible dependent day care expenses. The amount you elect at the beginning of each plan year is deducted from your gross earnings before federal and state taxes are calculated. By using your FSA to pay for qualified expenses, **you save 20-30% on dependent care expenses.**

HOW DOES THE DEPENDENT CARE FSA WORK?

With a Dependent Care FSA, you must decide on your contribution amount at the beginning of the plan year. The amount you designate will be equally divided among pay periods. To estimate your dependent care expenses, consider your expenses from last year. An expense worksheet is provided for you on the back of this flyer to help you determine the amount of money to allocate for your Dependent Care FSA. The IRS requires that all money in your account be used during the plan year. Once you decide how much you want to contribute each paycheck, the money is automatically deposited into your account. As you incur expenses, you may fax a claim form and receipts to Gilsbar for reimbursement. An eligible dependent is defined as any person who can be claimed as a dependent for federal tax purposes and who:

- Is a child under 13 years of age
- Is a child over the age of 13 who is physically or mentally incapable of caring for himself or herself
- Is your spouse and is physically or mentally incapable of caring for himself or herself
- An elderly parent who resides with you and is physically or mentally incapable of caring for himself or herself



I just saved
\$53.09 in taxes
this pay period.

That's an annual
tax savings of
\$1,380.34!!

HOW CAN A DEPENDENT CARE FSA SAVE ME MONEY?

The following example illustrates the per pay period savings for an employee on a bi-weekly payroll with a tax status of "single" with one exemption:

	With FSA	Without FSA
Salary	\$1000.00	\$1000.00
Less Pre-Taxed Dollars		
Dependent Day Care Reimbursement	-\$192.00	\$0.00
Taxable Income	\$808.00	\$1000.00
Less:		
Federal Income Tax (15%*)	-\$121.20	-\$150.00
State Income Tax (5%*)	-\$40.40	-\$50.00
Social Security (7.65%*)	-\$61.81	-\$76.50
Net Take Home Pay	\$584.59	\$723.50
Less Dependent Care Expenses	-\$0.00	-\$192
Net After Expenses	\$584.59	\$531.50

*Your income tax rates may vary based on your income and the state in which you reside.

HOW EASY IS IT TO USE THE DEPENDENT CARE FSA?

Very easy! Visit myGilsbar.com and login 24/7 to access claims information and FSA balances online. Once you are logged in, select the *Reimbursement Account Center* link to view your personalized FSA dashboard. If you are new to **myGilsbar**, complete the brief site registration to login. You will need your group number, Social Security number, and a valid email address to complete this section. As a registered user, you can:

- Access balance information.
- View images of receipts and claim forms online within 24 hours of submission.
- Receive an email when the claim is received and is viewable online, and again when it is processed and posted for payment.
- View account elections, account deposits, reimbursement payments, claim status details, receipt images, and denials.
- File appeals to denied claims online.
- Receive end-of-year reminders about available account balances, and much more!

WHAT EXPENSES ARE COVERED?

Eligible dependent care expenses are those which allow you and your spouse, if you are married, to work or attended school full time. Private school tuition K4 and above is not eligible for reimbursement. Below are some examples of eligible dependent care expenses:

- Day care facility fees
- Before / after school care
- Summer day camp (not overnight)
- Nursery school or preschool, if child is too young for Kindergarten
- In home babysitting fees, if not provided by another dependent and claimed as income by the care provider

HOW DO I GET REIMBURSED?

As you incur eligible expenses, you must complete a Dependent Care FSA claim form and attach proof of payment from your day care provider or from the individual who provides the care. Dependent Care FSA claims must include the federal tax identification number or Social Security number, name, and address of the provider, dates of service, type of service rendered, and name of dependent. The individual who provides the care cannot be your spouse or a dependent under the age of 19. With a Dependent Care FSA, you will be reimbursed as you set funds aside. If you submit a claim for more than what has been set aside for that account, the unreimbursed claim portion will be placed in "pending" status until funds are received through payroll deduction, at which time you will receive reimbursement.

CAN I CHANGE MY ELECTION DURING THE PLAN YEAR?

Generally, you may not change your FSA elections during the plan year unless you have a change in family status. Otherwise, you may change during the annual enrollment period for the coming plan year. There is an exception to this rule: you may change or revoke your deferral rate in the Dependent Care FSA during the plan year if you have a qualifying status change. Examples of a qualifying status change may include:

- Marriage, divorce, or legal separation
- Birth, adoption, or placement for adoption of a child
- Death of a dependent or spouse
- Change in your or your spouse's employment status
- A significant change caused by a third party in the cost of your dependent care coverage

DEPENDENT CARE FSA EXPENSE WORKSHEET

The worksheet below has been prepared to help you determine the amount of money you wish to allocate to your Dependent Care FSA. You may want to review your checkbook register or credit card statements from last year to identify expenses you paid out of your own pocket. Using this information and the worksheet, you can estimate the amount you wish to allocate, on a pre-tax basis, to your Dependent Care FSA (keeping in mind to only budget for those expenses specifically eligible for your Dependent Care FSA).

DEPENDENT CARE EXPENSES YOU PAID LAST YEAR COULD INCLUDE:	
Costs of Child or Adult Care Facilities*	
Day Care Center / Nursery School	\$ _____
Family Day Care / Adult Day Care Centers**	\$ _____
Wages paid to a nanny or in home care provider***	\$ _____
* The facility must follow all local and state laws.	
** These costs are eligible only if the adult dependent spends at least eight hours per day at your home.	
*** Please note these expenses are not eligible if the care services are provided by someone that you claim as a dependent.	
Other dependent care expenses considered eligible by the IRS	\$ _____
TOTAL ESTIMATED DEPENDENT CARE EXPENSES	\$ _____
Compare last year's typical expenses to those eligible under your Dependent Care FSA and budget accordingly for the upcoming year.	

FAX FSA claims & proof of expense to:

866-635-1329

myGilsbar.com • 1-800-445-7227 ext. 883 • flex@gilsbar.com

myGilsbar.com²⁰