

Dependent care FSAs

A benefit for the entire family



Did you know there's a way to pay your dependent care expenses and save money at the same time? By enrolling in the dependent care flexible spending account (FSA) plan offered by your employer, you can set aside pretax dollars to pay for dependent care expenses not covered by your other employee benefit plans. That means more money for you and your family!

How to sign up

You can enroll in a dependent care FSA by filling out a form from your employer at the beginning of your plan year. You will list the total amount of money you want to put in that account.

The money will be taken out in equal amounts from each of your paychecks. It will then be used to pay you back for expenses that qualify according to your plan.

How it works

There are several ways to submit a dependent care claim for reimbursement depending on your plan's options. All plans allow you to mail or fax your dependent care spending account claim form to UMR.

You can find a claim form on our website, umr.com. You can mail or fax it to the address/fax number listed on the form.

What you need to include ...



A written statement/bill from your service provider. It should state what eligible dependent care expenses you received and the cost, **or**

or



A completed claim form signed by your dependent care provider in the section to confirm your information is accurate



What is covered by a dependent care FSA?

Your dependent care FSA covers work-related expenses. You can set aside up to \$5,000 a year (the limit per household) to cover expenses like:

- Day care for children under 13 by babysitters, day care centers, nursery schools/preschools (if the primary purpose is to care for the child rather than educate)
- In-home services by a full-time, live-in housekeeper who cares for qualified dependents
- Service for family members who cannot take care of themselves and are dependent on you for more than half of their support. The dependent must spend at least eight hours a day in the home if care is provided outside the home.

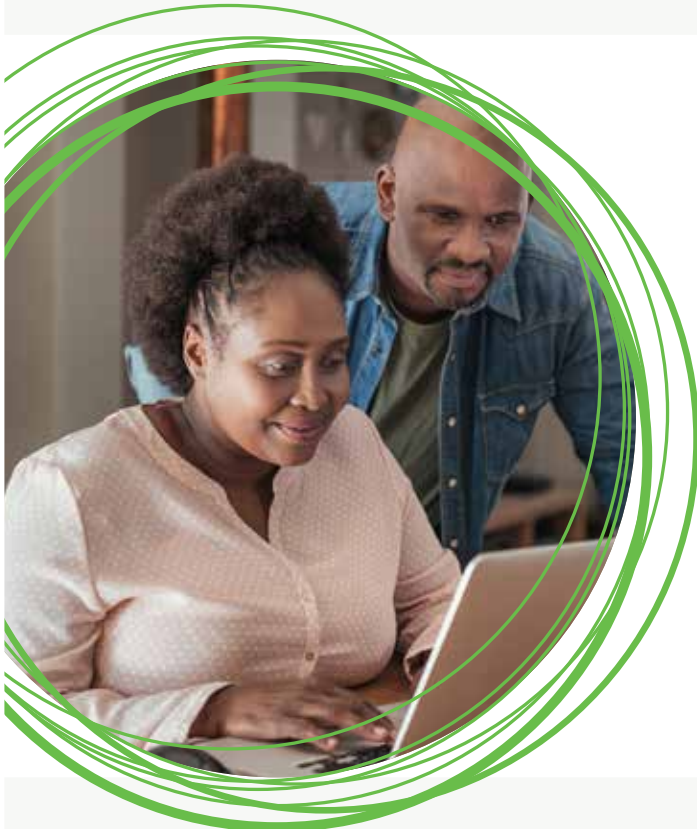
How are dependent care claims processed?

Most dependent care claims are turned around within three working days.

Dependent care payments are based on the current balance in your account at that time. If the funds are not currently available in your dependent care account when the claim is processed, the payment will not be made until the next contribution is received.

How will I know a claim has been paid?

You will get an EOB each time one of your FSA claims is paid. It will provide a summary of your account to date. Your paid claim will also appear on your member website once it is processed.



Here's an example of how you can reduce your taxes and increase your take-home pay by enrolling in a dependent care flexible spending account.

Here's how a dependent care FSA works.....

Deposits (reduction in taxable income)	\$4,000
Federal income tax savings*	\$800
FICA tax savings**	\$306
Yearly tax savings, increase in take-home pay	\$1,106

*Assumes federal income tax rate of 20%

**Includes Social Security tax rate of 6.2% and Medicare tax rate of 1.45%

Plan carefully!

To get the most out of your plan, you should estimate your future expenses as closely as possible.

All expenses must be for services you received during the plan year. Most plans allow you 90-120 days after the plan year ends to submit your expenses for the services you received during the plan year.

It is important to note that funds not requested within those 90-120 days will be forfeited. Not all plans have this feature. Please refer to your plan document for your plan details.

There are a couple of things you can do to estimate your expenses:

- Complete the FSA worksheets provided by UMR
- Visit our UMR member website and use the online FSA calculator

Grace periods

If your plan has a grace period, you may still make qualified FSA purchases up to 75 days after your plan year and be paid back from your prior year FSA.

Plans with this feature usually allow you to submit your expenses up to 45 days after the end of the grace period.

Not all plans have this feature. Please refer to your plan document for your plan details.

Status change exception

You usually cannot change the amount you contribute to your FSA during the plan year. The only exception is if you have a **qualified change in status** permitted by IRS regulations. Those changes include:

- Marital status
(*example: marriage or divorce*)
- Dependent status
(*example: birth of a baby*)
- Employment status
(*example: loss of job*)

Your dependent care FSA worksheet

Dependent care expenses cover expenses not claimed on your income tax return, up to a maximum of \$5,000 per household. You must decide whether to use the FSA or claim the tax credit. Please review the terms of your benefit plan as you complete this worksheet.

Expense	Weekly cost	X	Number of weeks	Cost estimate
Day care for children younger than age 13	\$	X		\$
Day care for a dependent older than age 13 (such as a parent or spouse) who is incapable of self-care due to mental or physical disability	\$	X		\$
Total estimated annual dependent day care expenses				\$
Maximum of \$5,000, divided by number of pay periods during the plan year				\$

Check your FSA balance online

At umr.com, there are no hassles and no waiting – just the answers you’re looking for, anytime, night or day.

Log in now to:

- File a claim online
- Upload receipts and track expenses
- View a copy of your EOB
- View up-to-the-minute account balances
- View your account activity, claims history and payment history
- Download plan information, forms and notifications
- Add or update a direct deposit account



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