

# Plainville Community Schools

## Flexible Spending Accounts (FSA)

### Dependent Care Fact Sheet

#### **Enrollment.**

Eligible employees (working regularly at least 20 hours per week or at least .50 full time teaching equivalents) can set aside up to \$5,000.00 on a pretax basis per year in a dependent care reimbursement account for eligible dependent care expenses.

Before you enroll, think carefully about how much money you expect to spend in the coming year for covered expenses. **Money deposited into an FSA must be used within three months after the end of the plan year or it is forfeited.** If you are not sure how much money you will spend, it is better to underestimate the amount than to overestimate.

New employees are eligible to enroll in a Flexible Spending Account plan within 30 days of hire. After that, employees can enroll each **December** for the following plan year.

The minimum contribution for each plan is \$20 per pay period. Because of the tax laws, once employees elect to contribute to an FSA, they must continue to make the same contribution throughout the plan year. (Contact the Payroll Department on the limited circumstances where changes are permitted.)

#### **Participation.**

FSA's save money by lowering your taxable income. Money from your paycheck goes into the FSA before taxes are calculated. You pay dependent care costs that you would otherwise pay with after-tax earnings but get reimbursed with pretax FSA money.

It's easy to participate in the flexible spending account. Just follow these steps:

- Make a conservative estimate of your dependent care expenses for the coming year. Employees can contribute up to \$5,000 per year for dependent care expenses. Remember, excess contributions are forfeited.
- Fill out the FSA Enrollment Form ([Flexible Benefits Plan – Compensation Reduction Agreement](#)). The amount you designate will be withheld from your paycheck in equal pretax payments (minimum of \$20 per pay period).
- Obtain a receipt or proof of payment for any dependent care expenses you pay. The receipt or proof of payment should include the date of service, description of service (if applicable), amount, and the company name.
- Submit your receipts with a FSA Reimbursement Form to the payroll department (minimum of \$50 unless it is the final request for reimbursement for the Plan Year). And your eligible expenses will be reimbursed with pretax dollars.
- Submit all claims for the plan year by March 31 of the following year.

#### **Individuals Included for Qualifying Dependent Care Expenses**

- all dependents under 13 years of age who you list on your federal tax return
- spouse or any qualifying dependent living in your home who is physically/mentally incapable for whom you provide over half of the support

#### **Qualifying Dependent Care Expenses**

- child care centers, licensed nursery schools and day camps
- adults who provide care for your children; babysitter, nanny
- services where care is provided to a qualifying dependent by a care provider who is responsible for the care of a qualifying dependent

## **NON-Qualifying Medical Care Expenses**

- care provided by your spouse or an individual who is not an adult
- nursing homes
- overnight camps
- child care expenses while you are not at work
- school expenses
- expenses under the Dependent Care Tax Credit listed on your federal income tax return