



## Dependent Care Flexible Spending Account Need-to-Knows



A Dependent Care Flexible Spending Account is an employee-funded plan that reimburses employees for out of pocket expenses paid for eligible childcare expenses.

### **Funding**

Employees are allowed to elect the IRS maximum contribution for the year. That amount is then divided equally between pay periods and contributed to your Dependent Care FSA. The funds become available to the employee as they are contributed.

### **Tax Benefits**

Dependent Care FSAs are a tax-free benefit for employees because contributions do not count towards your income.

### **Eligible Expenses**

A Dependent Care Flexible Spending account covers qualified day care expenses for children younger than the age of 13 and adult dependents who are incapable of caring for themselves. Please note that there are other expenses that may qualify for reimbursement. For more detailed information, please consult IRS Publication 503 or see your tax advisor.

### **Fund Rollover**

A Dependent Care FSA does not offer the option of funds rollover. Any funds left over at the end of the plan year are forfeited.

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