Work-Related Dependent Care Q&A

What expenses are eligible for reimbursement from a Work-Related Dependent Care FSA?
In order to be considered eligible for reimbursement, the expense must have been incurred so that you and your spouse*, if married, can be gainfully employed. Gainful employment includes being a full time student.
A few examples are: day camps, nursery schools, before/after school programs, daycare centers and private sitters who claim payment as income on their personal tax return.

What expenses are NOT eligible for reimbursement from a Work-Related Dependent Care FSA?
A few examples are: activity fees (i.e. for field trips); late payment fee made to a daycare provider; overnight camp (including the day-time portion); babysitting fees paid for a healthy child while parent is recuperating from an illness (regardless of doctor's advice.); tuition for schooling in kindergarten or higher; care provided by your child under 19 at the end of the calendar year or any other person for whom the employee could claim a tax dependent deduction.

I work and my spouse* stays home with our child. If we send our child to pre-school, may we use the Work-Related Dependent Care Account?
Unfortunately, no. You may only participate in this account if the care provided enables both you and your spouse* to work, seek gainful employment or go to school.

Whose expenses are eligible for reimbursement?

- a dependent of the taxpayer who has not attained age 13;
- a dependent of the taxpayer who is physically or mentally incapable of caring for himself or herself (i.e. a dependent child 13 years and older or other dependent adult) and lives with the tax payer for more than ½ the year;
- a spouse* of the taxpayer if the spouse* is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the taxpayer for more than half of the year.

All qualifying individuals must have the same principal place of abode as the employee for more than half the year.
Please contact FlexBank to discuss your specific situation.

My spouse* and I are divorced and my spouse* is the custodial parent of our children. May I be reimbursed for dependent care expenses incurred while they live with me and I am at work?
(A) Only the custodial parent (the parent having custody for the greater portion of the calendar year – regardless of which parent claims the child as a tax dependent) may be reimbursed tax-free for dependent care expenses.
When the time with each parent is the same, the parent with the higher adjusted gross income is treated as the custodial parent.

I live with my boyfriend and our child. My boyfriend is claiming our son on his tax return. May I participate in my employer's Dependent Care FSA?
Only the parent who claims the child as a qualifying child on their tax return will be able be reimbursed for the child's dependent care expenses under the dependent care FSA. The other parent cannot be reimbursed, even if he or she works for an employer that offers DCAP benefits. If both parents attempt to claim the child and the child resided with both parents for the same amount of time during the taxable year, the child is the qualifying child of the parent with the higher adjusted gross income.

What is the maximum amount I may contribute to the Work-Related Dependent Care FSA?
If you are single or married/filing a joint tax return, the maximum contribution is $5,000 per ***calendar*** year.
The $5,000 maximum amount applies to the amount you elect under this plan and the amount you and/or your spouse* may elect under another plan.
If you are married/file a separate tax return, the maximum contribution is $2,500 per ***calendar*** year.

How is my Dependent Care Expense benefit funded?
When you complete the enrollment form, you specify the amount of Dependent Day Care expenses for which you wish to pay with your salary reduction. Thereafter, your Dependent Day Care Reimbursement Account will be credited with the amount you have elected through salary reduction. These withholdings will be credited as of each pay period. The amount that is available for reimbursements at any particular time will be whatever has been credited to your Dependent Care Reimbursement Account, less any reimbursements already paid.

Can I change my elected deposit amount during the Plan Year?
Yes. You may change your election for any one of the following reasons within 30 days of the event.

- marriage or divorce
- death of a spouse* or child
- birth or adoption of a child
- change of employment status (i.e. full-time to part-time)
- your provider increases or decreases the cost
- you change day care providers

The change of election must be on account of the event, consistent with the request and on a prospective basis.

Please see your benefits administrator for additional information as to how to change your election.

When must the Dependent Care Expenses be incurred?
Dependent Care Expenses must have been incurred during the Plan Year. A Dependent Care Expense is *incurred* when the service that gives rise to the expense is provided; when the expense is paid is irrelevant. If you

**For the purposes of this memo, "spouse" means legally recognized same sex and opposite sex marriage.*
This memo is not to be construed as tax or legal advice.

have paid for the expense but if the services have not yet been rendered, then the expense has not been incurred for this purpose. A good example is where you pay for your child's day care on the first of the month for care given during that month, but the expense has not yet been incurred until the end of that month. You may not be reimbursed for any expenses arising before the Plan became effective, before your Election Form/Salary Reduction Agreement became effective or for any expenses incurred after the close of the Plan Year.

What happens to amounts left over in my Accounts if they have not been used during the Plan Year?
Amounts not used during the Plan Year cannot be returned to you nor can they be rolled over into the next Plan Year. You do have 90 days after the end of the Plan Year to submit claims/receipts to FlexBank for services that were incurred during the Plan Year.

What happens if I leave my employer?
All deposits to your Account will end with your last paycheck. You may continue to submit requests for reimbursement for allowable expenses incurred while you were employed. Requests must be submitted within 90 days after the end of the Plan Year.

What happens if I am laid-off or take an unpaid leave of absence?
You may not be reimbursed for expenses incurred while you were on leave (paid or unpaid leave) as you were not actively at work or looking for employment.

Are all taxes avoided on earnings deposited to my Flex Account?
(A) Contributions deposited to a Dependent Care FSA are NOT taxable for Social Security, Federal, State (in OH/KY/IN), or Local (in OH). Local taxes other than Ohio depends on the municipality to which you pay taxes. At the end of the year, Box 10 of your W-2 will automatically reflect your annual deduction for amounts contributed to your Dependent Care FSA.

Do I have to file any forms with the IRS at the end of the year?
Yes. To qualify for tax-free treatment, you will be required to file IRS Form 2441 (Child and Dependent Care Expenses) with your annual tax return (Form 1040) or a similar form. You must list on Form 2441 the names and taxpayer identification numbers of any persons who provided you with dependent care services during the calendar year for which you have claimed a tax-free reimbursement. Ultimately, it is your responsibility to determine whether each payment to you under this Plan is excludable for tax purposes. You may wish to consult a tax advisor.

If I participate in the Work-Related Dependent Care plan, will I still be able to claim the household and dependent care credit on my federal income tax return?
You may not claim any other tax benefit for the tax-free amounts reimbursed by the Plan.

What amounts are available for reimbursement at any particular time during the Plan Year?
The amount that is available for reimbursement of Work-Related Dependent Care Expenses at any particular time during the Plan Year will be whatever has been deposited to your Work-Related Dependent Care Flex Account, reduced by the amount of any prior reimbursements paid to you during the Plan Year. Suppose that you elect to have $100 per month ($1,200 annually) put into your Account. Further suppose you have incurred $500 of Work-Related Dependent Care Expenses by the end of March. At that time, your Work-Related Dependent Care Flex Account would only have been credited with $300 ($100 times 3 pay periods), so only $300 would be available for reimbursement at the end of March (assuming that you had not received any prior reimbursements). The remaining balance of $200 of expenses would be paid out as additional money is withheld from your paycheck and deposited into your Account.

Can I request reimbursement from my Account this year for expenses I incurred in another year?
No. Dates of service must be during your employer's Plan Year in order for them to be considered eligible for reimbursement.

Do I have to submit all requests for reimbursement before the end of the Plan Year in order to clean out my account each year?
You will have up to 90 days after the end of the Plan Year to make requests for reimbursement.

Do I need to send receipts in order to be reimbursed?
Yes. A receipt must accompany this type of withdrawal for expenses incurred, which should include:

- the provider's name & address
- the provider's TAX ID NUMBER / Social Security #
- the date of service and the amount of the expense

If your dependent care provider does not have formal receipts, FlexBank has a generic one that you may use. Go to www.FlexBank.net, Forms Online, Dependent Care Receipt and Claim Form.

How long will it take to have my claim processed?
Reimbursement requests are generally processed within 24 business hours of receiving the request for reimbursement.

Have questions? Please contact FlexBank:
Phone 937.299.5515 ~ 888.677.8373
Email Claims@FlexBank.net

Convenience on the go!
Check your account balance and submit claims on your mobile device using FlexBank's new mobile website. Visit http://www.flexbank.net/m/ on your smart phone or tablet.

Revised October 2015

WORK-RELATED DEPENDENT CARE CLAIM FORM

Employee Name: _____ Last 4 digits of SS#: _____

Address: _____

City: _____ State: _____ Zip: _____ IS THIS A NEW ADDRESS? Y or N

Employer Name: _____ Day Time Phone #: _____

Name and age of child/children: _____
NOTE: CHILDREN ARE ELIGIBLE UP TO THEIR 13TH BIRTHDAY.

Email Address: _____

I acknowledge:
This account may be used for expenses incurred for eligible children up to age 13.
School tuition is not an eligible expense.
My spouse and I (if married) must both be working or be a full-time student to be eligible to participate.
The individual who provided the care is not my spouse or child under age 19.
For children of divorced/legally-separated parents, only the Custodial Parent may use this benefit.
These expenses have not been reimbursed nor will I seek reimbursement from any other plan coverage.

Furthermore, the following person has authorization to speak with FlexBank on my behalf regarding the information contained in this claim.

Name_____

X_____ _____
SIGNATURE OF EMPLOYEE (required) **DATE**

Claim Request:

As a participant in my Employer's Work-Related Dependent Care FSA, I hereby request reimbursement for the following dates of service:

WEEK 1	_____	**TO**	_____	**$** _____
WEEK 2	_____	**TO**	_____	**$** _____
WEEK 3	_____	**TO**	_____	**$** _____
WEEK 4	_____	**TO**	_____	**$** _____
WEEK 5	_____	**TO**	_____	**$** _____
			TOTAL	**$** _____

An itemized statement/receipt from your provider with provider's name, address, tax ID# or SS#, dates of service and amounts paid must accompany this request OR the box below must be completed.

Certification from Provider:

We certify that we are providing work-related dependent care services for the Employee listed above. We also verify the charges and that we have provided service for the dates listed.

Name of Provider: _____

Federal Tax ID or Social Security #: _____

Signature of Provider: _____ Date: _____

How to submit claims
- ✓ **via Mail: FlexBank Administrators, 1250 W. Dorothy Lane, Suite 107, Dayton OH 45409**
- ✓ **via Fax: 937.299.7992 or 888.677.9373**
- ✓ **via Email: Claims@FlexBank.net**
- ✓ **via Mobile: http://www.flexbank.net/m/**

Revised August 2017

Questions? Call us at 888.677.8373 or visit our website at www.flexbank.net.

Change of Status Form

This form and accompanying documentation is to be kept with Employer's Personnel Records.

Section I - Employee Information

Employer Name:

Employee Name: | Social Security #:

Check if new Address ☐ | Address: | City: | State: | Zip:

Section II - Reason for Change of Election

****Generally changes must be made within 30 days of event****

Please note, the qualifying event must be permitted in your Section 125 Plan Document and summary plan description (SPD).

☐ **Gain of Spouse / Dependent** (Attach documentation)

___ Marriage ___ Adoption
___ Birth ___ Court Order
___ Dependent now satisfies eligibility requirements (i.e. becoming a student)

Effective date of the change: _____

☐ **Loss of Spouse / Dependent** (Attach documentation)

___ Divorce / Annulment / Legal Separation
___ Death
___ Court Order
___ Dependent no longer eligible (i.e. ceases to be a student)

Effective date of the change: _____

☐ **Change of Employee, Spouse, or Dependent's Employment Status Triggering Eligibility**

___ Begins Employment
___ Part-time to Full-time
___ Hourly to Salary

Change for Employee, Spouse or Dependent (circle one)

Effective date of the change: _____

☐ **Termination of Spouse's or Dependent's Employment Status Causing Loss of Eligibility**

___ Spouse's Termination of Employment
___ Dependent's Termination of Employment

Effective date of the change: _____

☐ **Dependent Care Election Changes**

___ Change in provider (babysitter, daycare, etc.)
___ Change in cost of current services

☐ **Leave of Absence** (Paid or Unpaid)

Date leave of absence begins: _____

Date of return: _____

☐ **Exchange Enrollment**

Effective date of the change: _____

☐ **Employee Termination or Benefit End Date**

___ Full-time to Part-time ___ Salary to Hourly

Date of Termination: _____

Benefit End Date: _____

Date of Last FSA Deduction: _____

Amount of Last FSA Deduction: _____

Date of Last HSA Deduction: _____

Amount of Last HSA Deduction: _____

☐ **Loss of Medicare Eligibility for Employee, Spouse or Dependent**

Effective date of the change: _____

☐ **Gain of Medicaid or Medicare Coverage for Employee, Spouse or Dependent**

Effective date of the change: _____

☐ **Loss of Medicaid or SCHIP Coverage**

**There is a 60-day special enrollment period for this event.

Effective date of the change: _____

☐ **Parking / Mass Transit Election Changes**

___ Change in location
___ Change in cost of current services

Section III - Change of Election Amount

Employee Election Category	**Current** Payroll Deduction Per Pay Period	**Revised** Payroll Deduction Per Pay Period	Date of Revised Deduction
FSA Health Care	$	$	
FSA Dependent Care	$	$	
Parking / Mass Transit	$	$	

This FSA change of election must be accompanied by the appropriate documentation for each of the above changes. Your employer will advise you of the approval or denial of your request for Change in Status. If your change is denied, you will generally have thirty (30) days in which to respond. If reviewed again and denied, you may pursue other rights accorded you under ERISA. I hereby elect the above changes due to a qualified Change in Status.

Date _____ **Signature of Participant** _____ **(not required for termination)**

Date _____ **Signature of Employer** _____

Revised January 2015