



Coeur
PLAN SERVICES FROM THE HEART

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

Frequently Asked Questions



Your **Dependent Care Flexible Spending Account (DCA)** through your Employer's Benefit Plan allows your healthcare dollars to go even further. To help you navigate and better understand your DCA, we've put together a list of frequently asked questions.

Q What is a Dependent Care Flexible Spending Account (DCA)?

A A Dependent Care Flexible Spending Account (DCA) is part of your benefits package. This plan allows you to use pre-tax dollars to pay for eligible dependent care service; such as child or elder daycare, preschool, before and after school programs and summer day camp.

Q Why should I participate in a DCA?

A Contributions to the DCA are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can increase your spendable income by an average of 30% of your annual contribution with the tax savings.

Q How do I contribute money to my DCA?

A Once you have made your annual election during open enrollment, your employer will divide the election amount by the number of pay periods in your plan year. This amount will be deducted from your paycheck before taxes are assessed.

Q How much can I contribute to my DCA?

A The IRS limits annual contributions to a maximum of \$5,000 for single or married filing jointly, and \$2,500 for married filing separately. A different limit may apply to you according to your employer's plan.

Q Who qualifies as a dependent?

A You can use your DCA to pay for care for children under age 13 that you claim as dependents, as well as adults or other relatives that are incapable of caring for themselves (if you provide more than 50% of their support).

Q What type of care is eligible?

A Eligible expenses must be for the purpose of allowing you to work or look for work. Services may be provided at a child or adult care center, nursery, preschool, after-school, summer day camp, or a nanny in your home.

Q What type of care is not eligible?

A Care expenses that are not eligible to be paid with DCA funds include care for a child over age 13, overnight camp, babysitting that is not work related, school fees for kindergarten and higher grades and long-term care services.

Q Do I have access to my entire DCA election amount at the beginning of the year?

A No, you will only have access to DCA funds that have already been deducted from your paycheck.

Q How do I determine the date my expenses were incurred?

A Expenses are incurred at the time the child or dependent care was provided, not when you are invoiced or pay the bill.

Q Are there any rules about who can care for my dependents?

A Yes. You cannot use funds to pay for care provided by a spouse, a person you list as a dependent for income tax purposes, or one of your children under the age of 19.

Q How do I use the funds in my account?

A If you have a benefits debit card and your care provider accepts credit cards, you may pay directly from your account. Otherwise, pay out-of-pocket and then file a reimbursement claim with your expense documentation. You can file a manual claim by mailing or emailing the claim form to Claims@CoeurPlanServices.com. For additional information call Coeur Plan Services at 844-582-6387.

Q What happens if I don't spend all of my DCA by the end of the plan year?

A Be sure to only allocate dollars for predictable dependent care expenses. Any unused funds at the end of the plan year are forfeited, also called use-it-or-lose-it rule. See your summary plan document or benefits coordinator for additional details.

Q Can I change my election amount mid-year?

A Typically, you cannot change your contribution mid-year. However, if you experience a qualifying event, such as the birth of a new child, or if your child care provider significantly increases their rates, you may be eligible to adjust your contribution.

Q What happens to my DCA if my employment is terminated?

A Participation in your DCA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

Q What is the deadline for submitting claims?

A You can submit claims for reimbursement at any time during the same plan year that you incur the expense. You may also have a grace period at the end of the plan year. Check the summary plan document your employer provided to obtain your claims deadline.

Q Can I still deduct dependent care expenses on my tax return?

A Yes, but not the same expenses for which you have already been reimbursed. If your total expenses were \$7,000 and you were reimbursed \$5,000 from your DCA, you may only claim the \$2,000 difference.

Q How do I find my current DCA balance?

A You can log-in to your DCA account by going to www.MyCoeur.com or contact Coeur Plan Services at 844-582-6387.

The Bottom Line:

Dependent Care FSAs are a great way to pay for qualified child and dependent care expenses while lowering your taxable income. Opening and funding a DCA can help you plan and pay for the care you need to help you be able to work and earn a living. Read your employer's summary plan description to make sure you know what you can use DCA funds for. Then do the math to make sure you contribute enough to maximize your tax savings without contributing more than you'll be able to spend during the year.

Have a question that wasn't answered in this document? We're happy to help.

Contact us at info@coeurplanservices.com or 210.981.1220 for more information.