



FLEXIBLE SPENDING ACCOUNT

Dependent Care FSA



How does a Dependent Care FSA work?

A dependent care Flexible Spending Account (FSA) allows you to set aside pre-tax dollars for dependent care expenses, such as daycare, that allow you to work or look for work.

You choose an annual election amount – **up to \$5,000**. The money is placed in your account via payroll deduction, in equal installments, and then used to pay for eligible dependent care expenses incurred during the plan year.

Why should I enroll in a Dependent Care FSA?

Child and dependent care is a large expense for many families. Millions of people rely on child care to be able to work, while others are responsible for older parents or disabled family members.

If you pay for care of dependents in order to work, you'll want to take advantage of the savings this plan offers. Money contributed to a dependent care account is free from federal and state taxes and remains tax-free when it is spent on eligible expenses. On average, participants enjoy a 30% tax savings on their annual contribution. This means you could be saving on dependent care expenses!

Mobile and online access

NueSynergy makes it easy to access and manage your dependent care FSA information.

- **NueAccount smart mobile app:** Our smart mobile app provides real-time, secure benefit account access anywhere at any time.
- **NueAccount member portal:** Log in to our website, www.NueAccount.com/Home, as a member and you'll have a wide variety of tools and resources available to you.

How do I use my Dependent Care FSA to pay for eligible expenses?

You can use the NueSynergy smart debit card we'll provide to pay for eligible dependent care expenses. Or you can pay with your personal funds and submit a claim for reimbursement.

Simple to use and easy to save

A dependent care FSA is easy to use and simple to understand. Here are some helpful hints to know before you take advantage of your tax savings:

- You must have funds in your dependent care FSA before you can spend them.
- Keep your receipts. You will need itemized invoices for all reimbursement requests. Make sure the receipt has the provider's name, address, telephone number, amount and date(s) of service. If you're using a babysitter, you'll also need the individual's social security number.
- The easiest way to manage your account is online at www.NueAccount.com/Home or through the NueAccount smart mobile app.
- You can't change your election amount during the plan year, unless you experience a change in status or qualifying event.
- Any unused funds that remain in your account at the end of the year will be forfeited. Plan carefully and use all the money in your dependent care FSA by the end of the plan year.



Convenient & Controlled.
Easy to use and easy to budget.

Annual tax-free contribution
of up to \$5,000.

Have questions or need more
information? Call 833-941-6262.



Example of qualifying expenses

Your dependent care FSA can cover costs for many different types of providers, such as:

- Before school or after school care for children 12 and younger
- Child care at a day camp or nursery school
- Child care by a private sitter
- Custodial care for dependent adults
- Licensed day care centers
- Nanny/Au Pair
- Placement fees for a dependent care provider, such as an au pair
- Nursery schools or preschools
- Late pick-up fees
- Summer or holiday day camps

Example of non-qualifying expenses

There are certain expenses that are not eligible for reimbursement from your dependent care FSA, such as:

- Expenses incurred in a prior plan year
- Expenses for non-disabled children 13 and older
- Educational expenses including kindergarten or private school tuition fees
- Food, clothing, sports lessons, field trips and entertainment
- Overnight camp expenses
- Late payment fees for child care

More information about eligible expenses

A comprehensive list of eligible expenses can be found at <https://nueaccount.com/eligible-expense-list>.

Here's an example

With a \$35,000 salary, an individual electing the dependent care FSA and contributing \$5,000 for the plan year **can save \$1,125**.

	DEPENDENT CARE FSA	EXPENSES	NOT PARTICIPATING	
	\$35,000	INCOME BEFORE TAX	\$35,000	
Elects to contribute \$5,000	\$5,000	FSA CONTRIBUTION	\$0	No contribution
Only taxed on \$30,000	\$30,000	TAXABLE INCOME	\$35,000	Taxed on full \$35,000
	\$6,750	TAXES (FEDERAL, STATE, FICA)	\$7,875	
No out-of-pocket expense	\$0	OUT-OF-POCKET DEPENDENT CARE	\$5,000	Ends up spending \$5,000
Income is \$1,125 more with an FSA	\$23,250	INCOME AFTER TAX	\$22,125	Income is \$1,125 less than with an FSA
Total Savings: \$1,125 a year				