

FSA

Dependent Day Care Flexible Spending Account (DDCFSA)

The DDCFSA offers you a tax-free way to pay yourself back for eligible dependent care expenses throughout the year. You can contribute between **\$120 and \$5,000** each plan year to the DDCFSA to pay for dependent daycare and elder care expenses on a pre-tax basis if both you and your spouse work, your spouse goes to school full-time or your spouse isn't able to care for himself or herself. The IRS sets the maximum contribution, which is \$5,000 per family, per year.

Eligible expenses include: Daycare, summer day camp, after school programs, and preschool expenses for children up to age 13 or disabled dependents of any age. Sleep-away or overnight camps are not covered. You may also use this account to pay for adult day care services for a spouse or other dependent who receives more than one-half of his or

her support from you (e.g., your disabled elderly parent), who is physically or mentally incapable of caring for himself or herself and has the same principal place of residence as you for more than one-half of the year.

For more information on qualifying dependents and expenses, go to ncflex.org and click on *Flexible Spending Accounts*, or see **IRS Publication 503**.

For the 2019 plan year, **expenses must be incurred January 1, 2019, through March 15, 2020**, to be eligible for reimbursement. You have until **April 30, 2019**, to submit claims for reimbursement. Any unused funds will be forfeited.

You can go to ncflex.padmin.com to submit claims electronically, check your account balance and more.

How Flexible Spending Accounts Save You Money

Example of Annual Tax Savings*	Without an FSA	With an FSA
Annual Pay	\$40,000	\$40,000
Pre-tax Money Deposited into FSA	-\$ 0	-\$2,500
Remaining Taxable Annual Pay	\$40,000	\$37,500
Minus Federal and Social Security Taxes	-\$12,000	-\$11,250
Take-home Pay Spent on Qualified Expenses	-\$2,500	-\$ 0
Take-home Pay	\$25,500	\$26,250

*Assumes annual tax rate of 30%.



That's a \$750 increase in take-home pay with a Flexible Spending Account.