

FAMILY FRIENDLY WORKPLACE

SAVE MONEY

PROTECT YOUR CHILD

REDUCE YOUR STRESS

Dependent Care Flexible Spending Account

A Dependent Care Flexible Spending Account is an excellent way for parents to save for child care. Flexible spending accounts allow employees to pay for work-related child care expenses using funds withdrawn from paychecks before taxes are deducted.



ELIGIBLE WORK-RELATED EXPENSES

- Child care
- Before and after school programs
- Preschool
- Summer day camps



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**BE PREPARED FOR
CHILD CARE NEEDS**

FAMILY FRIENDLY WORKPLACE

INFORMATION FOR PARENTS

KANSAS
POWER
of the Positive



DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

A Dependent Care Flexible Spending Account (FSA) is a way to save money on work-related child care expenses. A qualifying dependent may be your child, grandchild, stepchild, foster child or adopted child who is under the age of 13 and is not claimed on taxes by any other person.

PROTECT YOUR CHILD

Contributing to the Dependent Care FSA can help families save and plan for summer care, before and after school care, and other work-related child care needs.

PAY LESS IN TAXES

The Dependent Care FSA is funded with pre-tax dollars and this helps reduce your total taxable income, meaning you pay less overall taxes as a result.

WHAT IS A "WORK-RELATED" EXPENSE?

Your Dependent Care FSA's expenses need to be "work-related" meaning the care allows you (or your spouse) to work. This means that the expenses must be incurred while you (or your partner) are working. For example, if you are scheduled to work prior to your child going to school, then the expense of before school care is work-related.

CHECK WITH YOUR EMPLOYER

Dependent Care FSAs are only available if your employer offers the benefit. If your employer doesn't offer a Dependent Care FSA, ask your HR office to consider it. Different benefits brokers have different plans, but the service tends to be affordable. The cost to your employer of outsourcing FSA administration will likely be **more than** offset by savings from avoiding payroll taxes.

HOW IS A DEPENDENT CARE FSA FUNDED?

The Dependent Care FSA is a savings account. You decide how much money to set aside from your paycheck before taxes throughout the year. In addition, your employer can decide to contribute also as a part of your benefit package.

WHAT ARE THE POTENTIAL DOWNSIDES OF USING AN FSA?

- Ask your tax preparer which is better for you: the savings of an FSA or the savings from the child and dependent care tax credit parents can claim on their taxes. The same expenses can't be used for both and the alternative that saves you more varies depending on how many dependents you have, your income and your tax bracket.
- You can only use the funds in your dependent care FSA for work-related dependent care. If you don't use the funds within the timeframe, you may lose the contributions.

"Finding quality care for our children is one of the most important decisions we make." Joshua B. Zinger, Leavenworth County