

Novant Health Dependent Care Handout



SAVE ON ELIGIBLE DEPENDENT CARE EXPENSES

Who couldn't use a little more money? That's what you'll receive when you take advantage of the Dependent Care Flexible Spending Account (FSA). A Dependent Care FSA allows you to set aside a portion of your salary, before taxes, to pay for qualified dependent care expenses. Because that portion of your income is not taxed, you end up with more money in your pocket.

Dependent Care Flexible Spending Account (FSA)

A Dependent Care FSA is a simple way to save money on care for your dependents. It allows you to set aside pre-tax dollars to pay for day care expenses. The annual IRS limit for this type of account is \$5,000. If you're married and file separate returns, you can each elect \$2,500 for the calendar year. When choosing how much to set aside for dependent care, please note that any unused funds remaining in your Dependent Care FSA at the end of your plan year will be forfeited.

To be eligible for this type of account, both you and your spouse (if applicable) must work, be looking for work or be full-time students. You may receive reimbursement up to the current balance in your account at the time the request is made.

Eligible Dependents

- Children under age 13 who are claimed as a dependent for tax purposes
- Disabled spouse or disabled dependent of any age

Ineligible Expenses

- Costs claimed as a dependent care tax credit on your tax return
- Services provided by one of your dependents
- Expenses for nighttime babysitting
- Your own dependents, under age 19, babysitting
- Expenses paid for school (Kindergarten and above)

Recurring Dependent Care Reimbursement

You can eliminate the need to submit substantiation throughout the year for dependent care expenses by enrolling in Recurring Dependent Care. This process only requires you to submit one form per year for each day care provider used during the year.

The Recurring Dependent Care Request Form can be found in your online account. This form must be completed by you as the participant and by your day care provider. A separate form must be completed for each day care provider if you use more than one.

Accessing Your Account

Access your online account from our website at www.DiscoveryBenefits.com. You can submit expenses online, through the toll-free fax, via email or by mail. Your money will be directly deposited into your checking or savings account, or you can receive a check in the mail.

NOTE: If you enroll your child(ren) in a Novant Health day care center, you will not need to elect a Dependent Care FSA to pay day care expenses on a pre-tax basis. You will have the option of paying for day care services through pre-tax payroll deduction. Additionally, in accordance with federal tax guidelines, the plan is subject to a non-discrimination test that may reduce the maximum contribution amount that a highly compensated team member may set aside. When applicable, Human Resources will notify the team member as soon as possible after the plan year begins.