



Flexible spending accounts... a benefit for the entire family

Did you know there's a way to pay your dependent care expenses and save money at the same time? By enrolling in the dependent care account offered by your employer, you can set aside pretax dollars to pay for dependent care expenses not covered by your other employee benefit plans. That means more money for you and your family!

How do you enroll?

You can enroll in a dependent care spending account by submitting an election form to your employer at the beginning of each benefit plan year. On the form, you will list the amount of money you want to contribute to your account and your paycheck will be adjusted accordingly.

Your deductions will be taken in equal installments from your paycheck each pay period. Those deductions are then used to reimburse you for your dependent care expenses. Since the deductions are taken before taxes, your taxable income is reduced, meaning you pay less in federal income and Social Security taxes.

How it works

To submit a request for reimbursement, you must complete the dependent care spending account claim form to be reimbursed from your FSA. To find a claim form, login or register at the UMR member Web site. You may either mail or fax the document to the address/fax number provided on the form.



*Provide for your family members
with a dependent care account*



When submitting claims to UMR for dependent care expenses, you must include either:

- A statement/bill(s) from providers of the service stating that the expense(s) have been incurred and the amount of such expenses, or
- Have the provider sign the completed claim form in the designated section, confirming the information listed is accurate

UMR processes reimbursement requests daily. We take pride in our standard of turning dependent care claims around in 72 hours. Payments are based on the current available balance in the account at that time. If the funds are not currently available when the claim is processed, the payment will pend until the next deposit is received.

You will receive an EOB with each reimbursement. The EOB provides a year-to-date summary of the status of your account.

What expenses will your dependent care account cover?

The dependent care spending account allows reimbursement for work-related expenses up to \$5,000 annually per household, including the following examples:

- Day care for children under 13 by babysitters, day care centers, nursery schools/preschools (if the primary purpose of the expense is to care for the child rather than educational purposes)
- In-home services performed by a full-time, live-in housekeeper who cares for qualified individuals
- Service for family members who cannot take care of themselves and who are dependent on you for more than half of their support. If the care is provided outside the home, the dependent must spend at least eight hours a day in the home

How you save money with a dependent care account

Here's an example of how you can reduce your taxes and increase your take-home pay by enrolling in a UMR dependent care flexible spending account:

Dependent Care Account

Deposits (Reduction in Taxable Income)	\$4,000
Federal Income Tax Savings*	\$800
FICA Tax Savings**	\$306
Yearly Tax Savings, Increase in Take-Home Pay	\$1,106

*Assumes federal income tax rate of 20%

**Includes Social Security tax rate of 6.2% and Medicare tax rate of 1.45%



Important note: Your eligible expenses are listed in your plan document. Please refer to your plan document for any questions you might have regarding the eligibility of an expense under your dependent care account.

Plan carefully

To maximize the advantages of participating in a dependent care spending account, consider your dependent care expenses carefully and estimate your future expenses as closely as possible. You can do this by completing the helpful worksheet included in this flyer.

All expenses reimbursed by the dependent care spending account must be for dependent care services received during the plan year. Most plans allow members 120 days after the plan year ends to submit expenses for services received within the plan year. Funds not requested within those 120 days will be forfeited. In other words: You use it or lose it.

If your plan has a grace period, you may still incur claims for up to 75 days after the end of the plan year and be reimbursed from your prior year FSA. Plans with this feature typically allow members to submit expenses for a period of 45 days after the end of the grace period. Not all plans have this feature. Please refer to your plan document for specifics on your plan.

The dependent care spending account is a benefit so valuable, you can't afford to pass it up!

Once you've selected the amount to be deducted from your pay, you cannot change the amount during the year unless you have a qualified change in status that's permissible under your benefit plan and IRS regulations, such as a change in:

- Marital status
- Dependent status
- Employment status
- Benefits coverage

Determining your spending account expenses

Take time to plan your expected expenses during the coming year. It could save you money. This worksheet gives you a tool to determine how much to contribute to your dependent care spending account. Please refer to your plan document for details on your particular benefit plan.

(FSA worksheet on back)



Dependent care spending account worksheet

Dependent care expenses cover expenses not claimed on your income tax return, up to a maximum of \$5,000 per household. You must decide whether to use the FSA or claim the tax credit. Please review the terms of your benefit plan as you complete this worksheet.

Expense	Weekly Cost	X	Number of Weeks	Cost Estimate
Day care for children younger than age 13	\$	X		\$
Day care for a dependent older than age 13 (such as a parent or spouse) who is incapable of self-care due to mental or physical disability	\$	X		\$
Total Estimated Annual Dependent Day Care Expenses				\$
Maximum of \$5,000, divided by number of pay periods during the plan year				\$

