

# DEPENDENT DAY CARE FSA



A Dependent Day Care Flexible Spending Account (FSA) is a pre-tax benefit used to pay for eligible day care expenses for qualified dependents in order for you (or your spouse) to work, look for work, or attend school full-time.

## What are the benefits?

- Pre-tax contributions reduce your taxable income.
- Your Dependent Day Care FSA Funds become available to you as payroll deductions are taken.
- Easiest way to pay for everyday out-of-pocket eligible dependent day care and/or elder care expenses, with tax-free money.
- Multiple self-service tools available to easily manage your TASC Account and TASC Card transactions.
- Use your TASC Card to pay for eligible dependent day care expenses, or easily submit requests for reimbursement online.

## How does it work?

- Use our tax-savings calculator or annual expense estimate worksheet to help determine how much you should contribute per year.
- Your annual contribution is deducted pre-tax from your paycheck in equal amounts throughout the plan year and deposited into your TASC Account.
- The Dependent Day Care FSA is a money-in money-out benefit. Each pay period a contribution posts to your account, after which you may submit reimbursement requests for eligible expenses.
- Manage your account 24/7 via the TASC Benefits mobile app or TASC Online account at <https://partners.tasconline.com/ETFEmployee>

## Enrollment Eligibility

- Most full-time or part-time state and university employees are eligible to participate in a Dependent Day Care FSA.
- **Note:** Employees who are classified as fellows, scholars, and research assistants in the University of Wisconsin System, as well as limited term employees, student hourlies, per diems, and other temporary employees are **not** eligible.
- For a married individual to be eligible for the Dependent Day Care FSA, your spouse **must** be unable to provide dependent day care and/or elder care because he/she works full-time, is actively looking for work, enrolled in or attending school full-time, or physically/mentally incapable of self-care.

## Important Considerations

- Dependent Day Care FSA is not eligible for annual carryover. It is important to be conservative in making elections because any unused funds in your Dependent Day Care FSA at the close of the plan year are **not** refundable to you.
- It is a participant's responsibility to read and adhere to the TASC Card terms and conditions. By accepting and using your TASC Card, you agree to the Cardholder Agreement. You are obligated to satisfy any documentation requirements and to retain those documents and records for tax purposes or in the event of an IRS audit. Refer to the TASC Card Section in the ERA Participant Guide for more information.
- You may change your Dependent Day Care FSA elections during the plan year only if you experience a qualified life change event, such as, a marriage or divorce, birth or adoption of a child, or a change in employment status. Refer to the Change in Status During the Year Section in the Employee Reimbursement Account (ERA) Participant Guide for more information.

Annual Contribution Limits	2017	2016
Dependent Day Care FSA Annual Contribution Limit	\$5,000 <sup>1</sup>	\$5,000 <sup>1</sup>
Dependent Day Care FSA Carryover Limit	\$0	\$0



## Annual Dependent Day Care Contribution Limits

This is the amount the Internal Revenue Service (IRS) allows to be contributed to a Dependent Day Care FSA.

1: Restrictions may apply.

## Eligible Dependent Day Care FSA Expenses

Below is a partial list of eligible expenses that are reimbursable through a Dependent Day Care FSA. Eligible expenses may only be incurred by your qualified dependent(s). Health care expenses are **not** eligible. For more information, see your ERA Participant Guide. For the complete list of eligible and ineligible expenses, visit [www.irs.gov](http://www.irs.gov) and see IRS Publication 503.

- Adult daycare
- After-school and before-school care/program<sup>2</sup>
- Au pair/nanny salary and fees
- Babysitting in your home or someone else's home<sup>1</sup>
- Babysitting by your relative who is not a tax dependent<sup>1</sup>
- Care when one parent works days and other parent works nights<sup>1</sup>
- Care while looking for work
- Care while on family, personal or medical leave
- Care while you/spouse is working at self-employment<sup>1</sup>
- Child daycare or day camp<sup>2</sup>
- Custodial elder care<sup>1</sup>
- Employer-provided on-site daycare<sup>2</sup>
- Federal employment taxes (FICA, FUTA) of Dependent Day Care provider
- Household services related to dependent care
- In-home care<sup>1</sup>
- Nighttime care<sup>1</sup>
- Nursery school/ preschool fees or tuition
- Payroll taxes related to eligible dependent care
- Room and board for caregiver (*au pair, nanny, etc.*)
- Senior daycare<sup>1</sup>
- Sick child care<sup>1</sup>
- Specialized daycare
- Transportation to and from eligible dependent care (*provided by the care provider*)

1: Care must be work-related. Restrictions may apply. See IRS Publication 503 for more details.

2: Primary purpose must be custodial care, and not educational in nature. See IRS Publication 503 for more details.

## Additional Dependent Day Care FSA Criteria

- Dependent Day Care FSA expenses must be work related. The care must be necessary for you (and your spouse) to work, look for work, or attend school full-time, or if you are physically unable to care for your tax dependent.
- Dependent Day Care FSA expenses submitted for reimbursement during a calendar year may **not** exceed \$5,000.
- In the case of separate returns by married individuals, the limit is \$2,500 each. The amount may be less if your earned income or your spouse's earned income is less than \$5,000.
- Dependent Day Care FSA is not eligible for annual carryover. All claims must be incurred by December 31 and submitted by March 31. Any unused funds left in your Dependent Day Care FSA at the close of the plan year are not refundable to you.
- **Note:** Dependent Day Care FSA can only be used for care of eligible dependents, not for health care expenses.

## How to Enroll

- Annual It's Your Choice Open Enrollment period: **October 17 – November 11, 2016**
- Benefit Period: January 1 – December 31, 2017
- Deadline for New Hire Enrollment is within 30 days from hire date. Contact your human resources/benefit office for details.
- Deadline for Qualified Life Change Event Enrollment or Changes is within 30 days from the date of the qualified life event. Contact your human resources/benefit office for details.
- Visit [www.etf.wi.gov/IYC2017](http://www.etf.wi.gov/IYC2017) for enrollment information, or contact your human resources/benefit office for enrollment instructions.
- **Note:** Must re-enroll in a Dependent Day Care FSA each year. Elections do not carry forward from year to year.

## Following Enrollment

Once you have enrolled, you will receive:

- **Welcome Brochure**  
The ERA Welcome Brochure will provide you with information on how to manage your Dependent Day Care FSA, set-up your TASC Online account, your responsibilities, and key dates. It will also provide you with more information on the multiple self-service tools available to easily manage your TASC Account and TASC Card transactions.
- **TASC Card**  
Your TASC Card allows you to conveniently pay for eligible Dependent Day Care expenses. Be sure to review the Cardholder Agreement included with your TASC Card.
  - **Note:** If you are a current TASC participant, you will not be issued a new TASC Card. You will continue to use your current TASC Card.



TASC Customer Care | Phone 844-786-3947 or 608-316-2408 | Email [1customercare@tasconline.com](mailto:1customercare@tasconline.com)

TASC complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ATENCION: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-608-316-2408. LUS CEEV: Yog tias koj hais lus Hmoob, cov kev pab txog lus, muaj kev pab dawb rau koj. Hu rau 1-877-533-5020 (TTY: 1-800-947-3529).