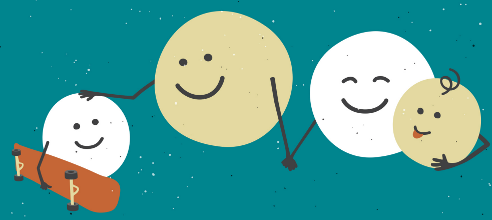
Dependent Care



Flexible Spending Account

Information about the Plan and How to Request Reimbursement

What is a Dependent Care Flexible Spending Account?

A Dependent Care FSA is a plan that allows eligible employees to set aside pre-tax dollars to be reimbursed, tax-free, for eligible day care expenses for their qualifying dependent children or spouse who needs full-time care. (Note: it is not a Health Care Flexible Spending Account which covers health care costs.)

Who is an Eligible Dependent?

- All dependent children under the age of 13
- A spouse or dependent child who lives with you and is incapable of self-care

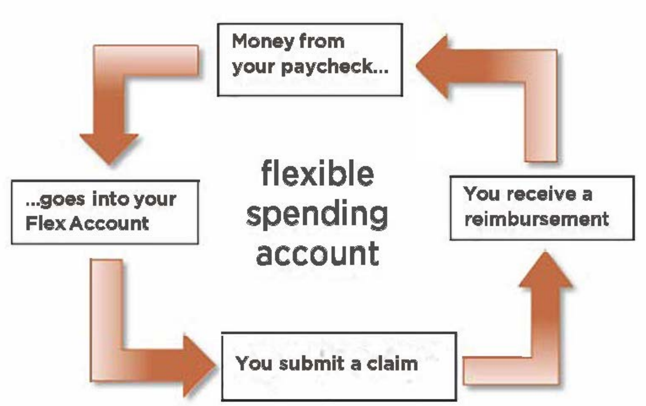
Who is an Eligible Provider?

- Child care or dependent care center that provides care for more than six individuals and receive fees, payments or grants for providing services
- Caregiver or home day care provider who cares for less than seven individuals who do not live with the caregiver
- A relative; or your child who is at least 19 years of age

What Expenses are Eligible?

Generally, only expenses that allow you or your spouse to work. If you, or your spouse, are a full-time student or actively seeking employment, you may be eligible. Typical qualifying expenses include:

- Expenses paid to a child care or dependent care center, an in-home nanny or other independent care provider
- Before- and after-school care
- Preschool
- Summer day camps, with the exception of overnight camps



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How Does the Reimbursement Process Work?

Dependent Care FSAs are reimbursed on a 'paid to balance' basis. This means reimbursement requests are issued up to the amount you have contributed to your Dependent Care Account at that point in time. For example, if you contribute $1,000 from your paychecks to the account for January – April, and you file a claim for $2,000 during this period, you will be reimbursed for $1,000 now and will later be reimbursed the other $1,000 after you have contributed more funds.

- Claims can only be filed after care has been provided
- Reimbursement requests are based on the date the care was provided, not the date payment was made for care
- Claims need to be submitted by mail, fax or online to 121 Benefits by Friday at noon to be paid the following week

A **Dependent Care FSA** is a plan that allows eligible employees to set aside pre-tax dollars to be reimbursed, tax-free, for eligible daycare expenses for their qualifying dependent children.

What Documentation is Required for Reimbursement?

- A reimbursement claim form that you fill out and sign (available at www.121benefits.com)
- A bill from the provider that includes the Tax ID number, date, person who was cared for and amount charged
- Providers can also complete the bottom portion of the claim form with their social security number or Tax ID# and signature

Can Elections Be Changed During the Year?

Generally, no. However, if you experience a change in status (such as the birth of a baby) you may change your election within 30 days of the event. You may also change your election if there is a change in the cost or coverage of care, with the exception of a cost change made by a relative.

What Happens to the Account at Year-End or End of Employment?

All care must be provided by December 31, but claims for that care may be filed through the end of your plan's run-out period. If you leave your employer, you may submit claims through the time frame indicated by your plan. In many cases, you can continue to incur expenses after you leave as long as you are employed or looking for work.

The Dependent Care Flexible Spending Account is governed by the IRS and the specific terms of your employer's plan. You should consult your plan's Summary Plan Description and your tax advisor for additional information as this flier is intended to be a summary only.

Contact Us!

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