



DEPENDENT CARE REIMBURSEMENT ACCOUNT



PO Box 617 • 25 Triangle Park Drive
Concord, NH 03302-0617

Telephone: 800.527.5001 • Fax: 603.415.3099
Email: fsa@healthtrustnh.org
Website: www.healthtrustnh.org

How It Works

Once you have met the eligibility requirements established by your employer, you have the opportunity to enroll in the Dependent Care Reimbursement Account. You must re-enroll during the open enrollment period prior to each plan year in order to continue participating. (Please see the information regarding the Child and Dependent Care Tax Credit in the **Important Tax Considerations** section of this brochure prior to making a decision to enroll.) Once you choose to enroll, you will need to:

- Estimate your expected dependent care expenses for the coming plan year and review what expenses are eligible for reimbursement.
- Decide how much you want to contribute to your account. You can elect up to the lesser of your employer's maximum contribution limit, or the maximum amounts described below:
 - ✧ \$5,000 per calendar year if you are married and file joint tax returns, or if you are single
 - ✧ \$2,500 per calendar year if you are married and file separately
 - ✧ The lower of your or your spouse's earned income; if your spouse is a full-time student or is disabled, special rules apply.

NOTE: If your plan is on a July 1 - June 30 plan year, please be aware that calendar year tax maximums still apply for dependent care expenses.

- The amount you elect to contribute is deducted from your paycheck in equal installments throughout the plan year, and deposited in your Dependent Care Reimbursement Account.

**Dependent Care Reimbursement Account program components are subject to change without notice.*

**Dependent Care Reimbursement Account program components are subject to change without notice.*

- Keep in mind that, once enrolled in a Dependent Care Reimbursement Account, you cannot change your payroll deduction amount until the next open enrollment period *except* when you experience a change in family or employment status like marriage, birth, death, divorce, taking a paid or unpaid leave of absence, termination or commencement of your or your spouse's employment, or a change in hours (such as from full-time to part-time). A more complete list of change-in-status events and other requirements for mid-year election changes are included in the Plan Document.

After you incur an eligible expense, you can seek reimbursement from your account (see the **Receiving Reimbursement** section of this brochure for more details).

Eligible Expenses

Your Dependent Care Reimbursement Account can only be used to reimburse qualifying dependent care expenses incurred during the plan year (or during the 2½-month grace period immediately following the plan year if elected by your employer). A dependent care expense is incurred at the time the service is furnished and not when you are billed, charged for, or pay for the service.

To qualify, the expenses must:

- Be incurred for the care of your qualifying dependent or for related household services;
- Be paid, or payable to, a qualified provider;
- Enable a single parent or both spouses to work or attend school on a full-time basis; and
- Not otherwise be reimbursed through any other source.

**Dependent Care Reimbursement Account program components are subject to change without notice.*

A qualifying dependent is:

- ✧ Someone who qualifies as an eligible dependent for tax purposes and is under the age of 13, or
- ✧ A spouse or dependent physically or mentally incapable of self-care and who spends more than one-half of the calendar year in your household.

A qualifying provider is:

- ✧ An individual providing dependent care services inside or outside your home, as long as the individual is not a) someone you or your spouse may claim as a dependent for federal tax purposes, or b) your child who is under the age of 19.
- ✧ A dependent care center (such as a summer camp, after-school, full-time, or adult day-care center or a nursery school) that is in compliance with state and local law.

You will be required to furnish the tax identification number (or Social Security number) of your provider in order to receive pre-tax treatment for their fees.

Ineligible Expenses

Examples of expenses ineligible for reimbursement through a Dependent Care Reimbursement Account include:

- Kindergarten expenses
- Cost of sending your child to an overnight camp
- Cost of transporting a qualifying person to or from your home to the care location

(continued on reverse side)

**Dependent Care Reimbursement Account program components are subject to change without notice.*

Receiving Reimbursement

When you incur an eligible dependent care expense, you can apply for a reimbursement from your account in one of two ways:

1. Submit to HealthTrust a *Flexible Spending Account Reimbursement Form* obtained from your employer or downloaded from the “Resources” section of www.healthtrustnh.org.
2. Submit your claim online by going to the “Coverage” section of www.healthtrustnh.org, click on the “My FSA Account” button and follow login instructions provided for entering required information plus scanning, mailing or faxing related receipts.

When seeking reimbursement from your account, you must provide an itemized bill or receipt that shows the date care was provided, the amount you are responsible for, and the name and taxpayer ID or Social Security number of the care provider. Please note that cancelled checks are not acceptable as proof of your expense. Mail or fax this information to HealthTrust at the following address.

HealthTrust
Attn: FSA Reimbursement
PO Box 617
Concord, NH 03302-0617
603.415.3099 (fax)

Incomplete forms may be delayed or returned.

Reimbursement is provided on a weekly basis, and the minimum check amount is \$20 unless it is the last claim of the plan year. **Dependent care expenses will be reimbursed only up to your account balance at the time of your request.** Any expenses claimed in excess of your account

*Dependent Care Reimbursement Account program components are subject to change without notice.

balance will be carried over and reimbursed when additional monies are credited to your account. Reimbursement requests are limited to expenses incurred during the plan year (or during the 2½-month grace period immediately following the plan year if elected by your employer) and may be submitted for up to 90 days after the plan year (or grace period) ends.

Debit Card Option

If offered by your employer, a debit card made available by HealthTrust can be used to purchase eligible expenses. A separate brochure detailing this option will be provided by your employer as needed.

Important Tax Considerations

You should keep in mind the following tax considerations when deciding whether to participate in the Dependent Care Reimbursement Account program:

- **Use-or-lose.** IRS regulations stipulate a “use-or-lose” rule that requires employees to use all of their designated Dependent Care Reimbursement Account funds during the plan year (or during the 2½-month grace period immediately following the plan year if elected by your employer), or forfeit remaining balances.
- **The Child and Dependent Care Tax Credit.** The Dependent Care Reimbursement Account is just one of the ways the IRS allows favorable tax treatment for expenses associated with dependent care. The IRS Code also allows

*Dependent Care Reimbursement Account program components are subject to change without notice.

the Child and Dependent Care Tax Credit. This credit allows for a percentage of eligible expenses to be applied as a tax credit toward your personal income tax responsibilities. The percentage eligible for the credit, between 20 and 35 percent, is based on your adjusted gross income (or combined adjusted gross income if you are married and file a joint return). The maximum 35 percent credit is reduced by 1 percent for each \$2,000 of adjusted gross income over \$15,000. For taxpayers with adjusted gross income over \$43,000, the credit percentage is limited to 20 percent. The maximum dependent care expense eligible for the Child and Dependent Care Tax Credit is \$3,000 for one qualifying dependent or \$6,000 for two or more. These maximums are reduced by the amount of expense reimbursements received through your Dependent Care Reimbursement Account.

- **Cannot claim the same expenses as deductions on your income taxes.** You cannot claim the Child and Dependent Care Tax Credit for expenses that have been reimbursed on a pre-tax basis through your Dependent Care Reimbursement Account. We strongly encourage you to speak with your tax advisor before enrolling in a Dependent Care Reimbursement Account for tax-related questions or concerns.
- **Reimbursement accounts affect your Social Security earnings.** Because you reduce your taxable income by setting aside money in a Dependent Care Reimbursement Account, your Social Security earnings for the year may be reduced. Over time, this may also lessen your overall Social Security benefits. However, the tax savings you will receive now should compensate for those reductions.

*Dependent Care Reimbursement Account program components are subject to change without notice.

Information About Your Account

Your Dependent Care Reimbursement Account information is available to you 24 hours a day, 7 days a week! For your convenience:

- You may access transaction information, account balances and account history by going to the “Coverage” section of www.healthtrustnh.org, click on the “My FSA Account” button and follow login instructions.
- Updated account balances are provided with each reimbursement check.
- A statement of account balance and transaction history is provided 90 days prior to the end of each plan year, or you may request a statement anytime by calling HealthTrust at **800.527.5001**.

If you have questions about this brochure, or your Dependent Care Reimbursement Account, please contact your employer directly or HealthTrust at **800.527.5001**.

*Dependent Care Reimbursement Account program components are subject to change without notice.



Dependent Care Reimbursement Account Worksheet

To estimate how much you should contribute to your Dependent Care Reimbursement Account, use the worksheet below. You may also want to review related expenses for the past several years for you and your covered family members.

1) Dependent Care Costs per Week \$ _____

2) Number of Weeks per Plan Year _____

3) Annual Cost of Dependent Care \$ _____
(line #1 x line #2)

4) Maximum Contribution Limit \$ _____

5) Annual Contribution \$ _____
(amount on line #3 or #4, whichever is less)

6) Number of Pay Periods per Plan Year _____

PAY PERIOD DEDUCTION \$ _____
(divide amount on line #5 by amount on line #6)

*Dependent Care Reimbursement Account program components are subject to change without notice.