



WHY DO I NEED...

# A Dependent Care FSA?



## WHAT IS IT?

A **Dependent Care Flexible Spending Account (Dependent Care FSA)** allows you to use tax-free dollars to pay for qualified child day care or adult day care expenses.



## WHAT IS IT USED FOR?

The funds in a Dependent Care FSA are for out-of-pocket expenses like nursery school, child day care, before/after school care, and even care for adult dependents. You cannot use the funds in a Dependent Care FSA for any medical purchases or services for your family. For that, you will need to make a separate election for a Medical FSA.



## HOW DO I SAVE MONEY?

A Dependent Care FSA gives you the power to set aside money, tax free, from your paycheck to put towards caring for your children and any adult dependents in your care.

## TAX SAVINGS EXAMPLE

You spend \$5,000 on day care each year. By enrolling in a Dependent Care FSA, you could save upwards of \$1,500.\*

### EXAMPLE SAVINGS CALCULATION

$\$5,000 / \text{year} \times 30\% \text{ tax rate} = \$1,500 / \text{year}$   
in savings\*

## CALCULATE YOUR SAVINGS

Annual Election x Tax Rate = Annual Savings

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \_\_\_\_\_

\*For illustration purposes only. Individual tax rates and maximum limits apply.



## WHY DO I NEED THIS PLAN?

A Dependent Care FSA is a financial tool used to reduce the cost of child and adult dependent care. You set aside tax-free money from your paycheck to put toward services you are already paying for. Ultimately, a Dependent Care FSA is just one more savings tool. Additionally, if you have medical expenses for a dependent, you can consider enrolling in a Medical FSA with a separate election to receive tax-free savings on those expenses.

For more information, visit [BenefitResource.com/MHC](https://BenefitResource.com/MHC)