



## DEPENDENT CARE EXPENSES

A Dependent Care Reimbursement Account allows you to set aside part of your salary each pay period on a pre-tax basis to reimburse eligible expenses incurred for the care of your child, disabled spouse, an elderly parent, or another dependent who is physically or mentally incapable of self-care, so that you (and your spouse, if applicable) can work.

### Eligible Dependents

- Your child is aged 12 or younger of whom you have custody and for whom you are entitled to claim a deduction on your federal tax return. For children of divorced or separated parents, only the parent with custody (rights to claim the child for tax purposes) can consider the child an eligible dependent under this plan.
- Your child of any age who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return.
- Your spouse who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return.

### Guidelines for Eligible Dependent Care Expenses

- You may submit claims or use your FSA debit card to pay for the dependent care expense. You are only able to be reimbursed up to your current account balance. If a claim is submitted over the amount currently available, Workterra will process up to your current account balance and issue reimbursements automatically as more funds are received.
- Only care provided inside or outside your home by anyone other than your spouse, a person you list as your dependent for income tax purposes, or one of your children under age 19 would be eligible.
- If your dependent is in first grade or higher (through age 12), the cost of schooling must be separated from the cost of care submitted for reimbursement.
- If your dependent is in a grade before first grade and the cost of care and the cost of schooling can be separated, then only the cost of care is reimbursable. However, if the cost of schooling cannot be separated from the cost of care, the total cost is reimbursable.
- A dependent care center or childcare center would be eligible for reimbursement (if the center cares for more than six children, it must comply with all applicable state and local regulations).
- A housekeeper, au pair or nanny whose services include, in part, providing care for a qualifying dependent would be eligible for reimbursement.
- To qualify for reimbursement, you must provide your dependent care provider's tax ID number or social security number on your federal tax return (IRS form 2441). If you fail to provide this information, your reimbursements may not be eligible and may be reclassified as taxable income by the IRS.
- You are responsible for making sure that the expenses you submit for reimbursement are considered eligible expenses by the IRS. If you are not sure whether an expense is eligible, please contact WORKTERRA Customer Service from 8 AM to 5 PM PST, Monday through Friday at 888.327.2770. You may also refer to IRS Publication 503: Child and Dependent Care Expenses which is available by calling the IRS at 800-829-3676 or through the IRS WORKTERRA site in the Forms and Publications section.
- If you are married and file a joint tax return, the maximum amount you may elect is \$5,000. The maximum amount available if you are married but filing separate returns is \$2,500. If you file separately, you cannot claim the same expense in each of your dependent care accounts.