

## Human Resources: Dependent Care Flexible Spending Account (DC-FSA)

This is a summary of the Dependent Care Flexible Spending Account program (DC-FSA). The actual administration is governed by the Plan Document. If you have specific questions regarding the application of a Dependent Care Flexible Spending Account for your personal situation, please contact Human Resources at ext. 2253.

### General Information

The Dependent Care Flexible Spending Account (DC-FSA) allows you the opportunity to pay Dependent Care expenses on a pre-tax basis by setting aside a predetermined dollar amount each pay period to cover allowable expenses. You may think of a Flexible Spending Account as a special savings account from which you can draw to reimburse yourself for Dependent Care expenses. Because the contributions to a Flexible Spending Account are untaxed (no Federal, State and Social Security) at deposit and untaxed at withdrawal, you decrease your taxable income, while increasing your spendable cash.

#### Related Files

- » [Dependent Care Enrollment Form \(see Section 4\)](#)  
(pdf format)
- » [Dependent Care Expense Reimbursement Form](#)  
(pdf format)
- » [Dependent Care Expense Reimbursement Form](#)  
(MS word format)
- » [Dependent Care FSA Worksheet](#)
- » [2012 WHOI Payroll Schedule](#)

- Choose an annual amount for your DC-FSA account. Best to underestimate! For assistance with determining your annual contribution to your DC-FSA, use the [Dependent Care FSA worksheet](#).
- A proportionate amount will be deducted from your paycheck on a pre-tax basis and accumulate in your DC-FSA account.
- Reimbursement is made on a pre-tax basis up to the current balance of your account, as you submit evidence of expenses to Human Resources.
- The reimbursement (when aggregated with all other reimbursements received by you under the program during the same year) may not exceed the least of the following limits:
  1. \$5,000 (\$2,500 if married filing separate income tax returns).
  2. Your taxable compensation (after the reduction agreed to).
  3. If you are married, your spouse's actual or deemed earned income. Your spouse will be deemed to have earned income of \$200 (\$400 if you have two or more dependents), for each month in which your spouse is (i) physically or mentally incapable of caring for himself or herself, or (ii) a full-time student at an educational institution.
- USE IT OR LOSE IT! If you have not submitted enough expenses to equal your annual DC-FSA account, you will forfeit the balance remaining in your account. For specific details regarding reimbursement rules, please go to the Reimbursement section at the bottom of this page.

### Enrollment

You may enroll or make changes to your Dependent Care Flexible Spending Account:

1. Before the start of each calendar year during Annual Open Enrollment.
2. Within 30 days of becoming eligible to participate (newly hired, or mid-year status change to a benefits-eligible employee).
3. Within 30 days of a qualifying event (i.e., marriage, divorce, birth or adoption of a child, death of a spouse or child, or termination of your spouse's employment).

» [View Dependent Care Enrollment Form \(pdf format\)](#)

### Eligible Expenses

Under the Plan, you will be reimbursed only for *Dependent Care* expenses meeting *all* of the following conditions:

- The expenses are incurred for services rendered after the date of this election and during the calendar year to which it applies.
- Each individual for whom you incur the expenses is:
  1. a dependent under age 13 whom you are entitled to claim as a dependent on your Federal Income Tax Return, or
  2. a spouse or other tax dependent who is physically or mentally incapable of caring for himself or herself.
- The expenses are incurred for the care of a dependent described above or for related household services and are incurred to enable you to be gainfully employed.
- If the expenses are incurred for services outside your household, they are incurred for the care of a dependent who regularly spends at least 8 hours per day in your household.
- If the expenses are incurred for services provided by a dependent care center (i.e., a facility for more than 6 individuals not residing at the facility), the center complies with regulations.
- The expenses are not paid or payable to a child of yours who is under age 19 at the end of the year in which the expenses are incurred.

- The expenses are not paid or payable to an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent.

## Reimbursement

- Complete the Dependent Care Expense Reimbursement Form
  - » View Form [\[pdf format\]](#)
- Submit form by 8th of each month.
- Reimbursement equal to submitted expenses, subject to account balance.
- Expenses submitted greater than your account are held for future application in the applicable calendar year.
- Dependent Care payment made in last paycheck of the month.
- Only expenses incurred during the current calendar year are reimbursable.
- USE IT OR LOSE IT! You must use all of the money in your DC-FSA each calendar year for eligible dependent care expenses incurred during that calendar year. Generally, money remaining in a FSA after December 31 will be forfeited. However, WHOI allows for the IRS approved 2-1/2 month grace-period which allows for participants to incur expenses beyond December 31 up through March 15 of the following calendar year to apply to the prior year's FSA. All participants have until March 31 to submit for reimbursement expenses for the previous year's FSA, including any eligible expenses incurred during the 2-1/2 month grace period. Money remaining in your account after March 31 will be forfeited.

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Mail: Woods Hole Oceanographic Institution, 266 Woods Hole Road, Woods Hole, MA 02543, USA.

E-Contact: [info@whoi.edu](mailto:info@whoi.edu); press relations: [media@whoi.edu](mailto:media@whoi.edu), tel. (508) 457-2000

Problems or questions about the site, please contact [webdev@whoi.edu](mailto:webdev@whoi.edu)