

DEPENDENT CARE FSA

Dependent Care Flexible Spending Accounts (DCFSA)



A DCFSA is used to reimburse expenses you have for dependent daycare. **Do not use the DCFSA for anticipated medical expenses for your dependents, as those expenses are reimbursed through the Health Care FSA.** To be eligible to use a DCFSA, the Internal Revenue Service (IRS) requires the following conditions be met:

- The dependent care expenses must be necessary because you (and your spouse, if married) work or attend school on a full-time basis;
- The expenses must be for children under the age of 13, or for other dependents you report for federal income tax purposes who are incapable of self-care;
- Your dependent care provider must be an organization or an individual not claimed as a dependent by you on your federal income taxes, who provides the care either in your home or outside your home; and
- Expenses are for dependent care, and not for educational programs (i.e., Georgia Pre-K).

How the DCFSA Works

- Estimate what you think you will spend for predictable dependent care expenses in the Plan Year (January 1, 2023 - December 31, 2023 or your coverage effective date if mid-year).
- Enroll in the GCPS Online Benefits System by entering the amount you expect to spend this year on the DCFSA page. The annual maximum contribution is \$5,000 if you are single or married and file taxes jointly, or \$2,500 if you are married and file taxes separately.
- Beginning with the first paycheck in January 2023, you will see a deduction for your DCFSA. That amount will be credited to your DCFSA each pay period.
- DCFSA's are NOT pre-funded, meaning you can be reimbursed only to the level of contributions that you have made through payroll deduction. When you submit a claim, you can elect to be reimbursed by a check mailed to your home address, elect to have your reimbursements posted directly to your bank account through a direct deposit option or use the Flex Convenience MasterCard.

Some services, such as summer school expenses and overnight camps, do not qualify for DCFSA reimbursement. Consult IRS Publication 503 for more information, or contact Medcom at 1-800-523-7542, or www.medcombenefits.com.

Annual Enrollment Required

Because your anticipated expenses can change year to year, you are required by IRS regulations to enroll in DCFSA's each year during Open Enrollment if you want to participate. This applies even if you want to elect the same amount as you have during the current year. If you do not enroll online during Open Enrollment, you will not participate in a DCFSA during the 2023 calendar year.

Use It or Lose It Rule

DCFSA's are strictly governed by the IRS. Under current regulations amounts set aside in DCFSA's must be spent for qualified expenses incurred during the plan year, which runs January 1 through December 31. Funds remaining in your DCFSA for which you did not incur an allowable expense on or before December 31 are forfeited. You have until March 31 of the following year to claim remaining funds for expenses incurred no later than December 31 of the prior calendar year. DCFSA funds do not roll over year to year.

Flex Convenience MasterCard

The Flex Convenience MasterCard works just like a debit card, and allows you to directly pay for your eligible DCFSA expenses at the point of services. This allows you to avoid having to pay out-of-pocket and file a claim for reimbursement. Your card can be used at any authorized provider who accepts MasterCard. The payment that you make to the provider will be deducted directly from your DCFSA account. Your Flex Convenience MasterCard can only be used to pay for eligible expenses.

You must retain all receipts for services that are purchased with your Flex Convenience MasterCard. Medcom will request receipts and/or supporting documentation for charges which cannot be determined to be an exact match or previously substantiated recurring expense. If you cannot provide appropriate documentation, you will be asked to reimburse your DCFSA for the amount of the purchase.