

DEPENDENT CARE

Perfect for saving on dependent care expenses



SAVINGS MADE EASY



CONSIDER A DEPENDENT CARE ACCOUNT

Your employer is offering you a convenient way to save and plan for your dependent care expenses. With Highmark's Dependent Care Flexible Spending Account, you can use pre-tax dollars to pay for a variety of qualified childcare and adult dependent care expenses. It's an easy way to decrease the amount of taxes you pay.

WHO IS COVERED?

- Your dependent who has not reached age 13
- Your dependent (whether spouse, parent or child) who is physically or mentally unable to care for himself/ herself and lives with you

WHAT IS COVERED*?

You can use money in the account for services that help you and/or your spouse work, seek employment or go to school, including:

- Licensed daycare providers
- Before and after school care for children under 13
- Summer day camps for children under 13
- Care provided in your home
- Non-medical home or daycare for eligible disabled dependents
- Registration fees
- Educational expenses (preschool)

WHAT'S NOT COVERED?

Account funds cannot be used to pay for:

- Educational expenses (Kindergarten and above)
- Overnight camps
- Food or clothing
- Elder care outside the home
- Transportation expenses

HOW MUCH SAVINGS?

The amount you save depends on your tax situation and circumstances**. The Internal Revenue Service has set the current maximum annual amount for Dependent Care fund contributions at

- \$5,000 for single heads of household or married couples filing jointly, or
- \$2,500 if married and filing separately.

Here's an example of the potential savings:

Without Dependent Care FSA		With Dependent Care FSA	
Gross Pay	\$36,000	Gross Pay	\$36,000
Taxes @ 24.5%	-\$8,820	Pre-tax Day Care Deduction	-\$5,000
Net Take-Home Pay	\$27,180	Taxable Pay	\$31,000
Out-of-Pocket Day Care Costs	-\$5,000	Taxes @ 24.5%	-\$7,595
Spendable Income	\$22,180	Spendable Income	\$23,405

An employee earns \$36,000 annually and has daycare expenses of \$5,000 per year.

By participating in the Dependent Care FSA, the employee has an increased spendable income of \$1,225 for the year.

HOW IT WORKS

The Dependent Care Flexible Spending Account is similar to a regular Flexible Spending Account.

- When you enroll, you decide the amount of money to contribute.
- Payments are then divided among the pay periods, and money is taken from each paycheck on a pretax basis.
- You complete the reimbursement request form and attach a receipt of payment from your care provider.
- You receive a check from your account.

Please note: Since your Dependent Care Account is not pre-funded, you do not have access to the total contribution when your account is first opened.

PLAN CAREFULLY

It's important to plan your account contributions accurately as a "use it or lose it" rule applies, so you will lose any unused dollars at the end of the year.

BENEFITS AT A GLANCE

- Pre-tax savings via payroll deduction
- Easy enrollment
- Convenient to use and manage via the Highmark member website
 - Check fund balances and payment status
 - Review benefits
 - Access other accounts, including health coverage and prescription, if applicable

GET STARTED TODAY

For more information or answers to your specific questions, contact your plan administrator. Then sign up to take advantage of this perfect way to save money on your dependent care costs.



* For a complete list of eligible expenses, please visit www.irs.gov or speak with your plan administrator.

** Consult your tax accountant to find out how the tax deduction applies in the state where you live.

HAVE A GREATER  IN YOUR HEALTH.

At Highmark we want to be your partner in health care. We provide you with all you need to know to make the right choices, while simplifying the process so your health care decisions become easier. Better decisions lead to better health and could even save you money.

The health care industry is changing and Highmark will be there with you each step of the way.

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