Who is eligible to use a Dependent Care FSA?
You are eligible to use a Dependent Care FSA if the dependent care is needed to allow you to work. If you are married, your spouse must also be working or looking for work, be attending school full time or be physically or mentally unable to care for himself or herself.

If you are divorced or legally separated, you may use a Dependent Care FSA to pay for work-related dependent care expenses during the time of year your child lives with you, even if your former spouse claims the child for income tax purposes.

Who is an eligible dependent?
A dependent must be a "qualifying individual." A "qualifying individual" is:
- A qualifying child under the age of 13.
- A qualifying child or qualifying relative who is physically or mentally incapable of self-care and who lives with you for more than half of the taxable year.
- A spouse who is physically or mentally incapable of self-care and who lives with you for more than half of the taxable year.

How much can I contribute to my Dependent Care FSA?
The Internal Revenue Service (IRS) allows you to contribute up to $5,000 a year if you are single or if you are married filing jointly. If you are married and file a separate tax return, the limit is $2,500.

Key note: If either you or your spouse earns less than the applicable limit, then your maximum annual contribution is limited to the lower of your two incomes. Also, if your spouse has no earned income for a plan year, you cannot use this account unless they are disabled or a full-time student.

What expenses are eligible?
Many work-related dependent care expenses are eligible, including the cost of services provided by:
- A babysitter or housekeeper who provides dependent care (includes taxes paid on their wages). The person providing the care cannot be someone you claim as a dependent, a child of yours under age 19, a spouse or an ex-spouse. The services can be provided either inside or outside your home. If they are provided outside of your home, a “qualifying individual” must spend at least eight hours a day in your home.
- A day-care center, nursery school or pre-school.
- An after-school program or summer day camp, including specialty camps (soccer, computer, music, etc.)
- A dependent care center (dependent must spend at least eight hours a day at your home; if the center cares for more than six people, it must comply with all state and local laws).

Also eligible:
- Fees for transportation provided by the dependent care provider.

The expenses must be “incurred” during the plan year. It does not matter when they are billed or paid.

If my dependent care provider does not claim what I pay them as income on their tax return, can I still use my Dependent Care FSA?
In order to use a Dependent Care FSA, you must report the Social Security or tax identification number of your provider along with the amount you paid them when filing your federal income tax return. As a result, your provider will have to pay taxes on that income.

What if I do not use all the money in my Dependent Care FSA by the end of the year?
According to IRS rules, any funds remaining in an FSA at the end of the plan year must be forfeited. As a result, it is best to be conservative when estimating your eligible expenses for the upcoming year.

Key note: After the plan year ends, there is a grace period established by your employer (e.g. 90 days) during which you can submit claims that were incurred prior to the end of the plan year.

Estimate your eligible dependent care expenses and potential savings on the reverse side of this form!
Dependent Care FSA or Federal Tax Credit?
This easy-to-use worksheet can help you determine whether your Dependent Care FSA or the federal Child and Dependent Care Credit will produce the largest tax savings for you.

### Tax Rate*
Approximate rates based on 2011 federal tax rates, 5% state tax and 2011 FICA rate. *Your exact tax rate may vary.*

<table>
<thead>
<tr>
<th>TAXABLE INCOME</th>
<th>SINGLE</th>
<th>MARRIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0 - 8,500</td>
<td>20.7%</td>
<td>20.7%</td>
</tr>
<tr>
<td>$ 8,501 - 17,000</td>
<td>25.7%</td>
<td>20.7%</td>
</tr>
<tr>
<td>$ 17,001 - 34,500</td>
<td>25.7%</td>
<td>25.7%</td>
</tr>
<tr>
<td>$ 34,501 - 69,000</td>
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<td>25.7%</td>
</tr>
<tr>
<td>$ 69,001 - 83,600</td>
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</tr>
<tr>
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<td>34.5%</td>
</tr>
<tr>
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</tr>
<tr>
<td>$ 379,151 and up</td>
<td>41.5%</td>
<td>41.5%</td>
</tr>
</tbody>
</table>

*For estimation purposes only. Please consult your tax advisor.*