

What Is a Dependent Care Assistance Flexible Spending Account?

A Dependent Care Assistance Flexible Spending Account (FSA) allows you to set aside a portion of your pay pre-tax to use for child day care or elder care expenses. Because it is deducted from your pay before taxes, you can save up to 30% on each dollar you spend on eligible expenses (depending on your tax bracket). *Please note: if you are a New Jersey or Pennsylvania taxpayer, the New Jersey or Pennsylvania state income tax will apply to money withheld from your pay for any benefits you elect.*

Under tax laws, dependent day care expenses are eligible only if the expenses are necessary so that you and your spouse can work or attend school full-time.

Your spouse also may be unemployed but actively looking for work. If your spouse works part-time, your election may not exceed the lesser of your annual income or your spouse's annual income.

PLEASE NOTE: Non-custodial parents check with your legal or tax advisor to see if special rules apply to you that would enable you to utilize this account.



Eligible Day Care Expenses May Be Reimbursed For...

- Your "qualifying child" (including a stepchild, foster child, child placed for adoption or younger brother/sister) under age 13 who has the same principal residence as you for more than one half the year and does not provide more than one-half of his or her own support during the calendar year
- Your spouse or other dependent who receives over one-half of his/her support from you (i.e., your disabled elderly parent) and has the same principal place of residence as you for more than one-half of the year

Determining Your Election Amount

During your benefits Open Enrollment, you need to estimate how much you usually spend on eligible daycare expenses in a year and set aside that dollar amount into your FSA (this is also called your annual election). *Per IRS regulations, if you have unspent money left over in your account at the end of the plan year the money will be forfeited- it does not apply to the next plan year.* Your annual election is divided by the number of paychecks you have in a year and deducted pre-tax from your paycheck each pay period. The maximum annual election amount is \$5,000. This is a "pay-as-you-go account" which means that you can only have access to the amount of money that has been payroll deducted to date.

Example

If you set aside \$2,500 into this account and get paid weekly, the amount of money that will be deducted pre-tax from your paycheck each week is \$48.07.

$\$2,500 \text{ annual election amount} \div \text{by } 52 \text{ paychecks} = \$48.07 \text{ deducted pre-tax from each paycheck}$

Changing Your Election Amount

Generally, you can change your election amount if you experience the following: 1) change in status (i.e., marriage or divorce), 2) a reduction or increase in the hours that you and/or your spouse work, and 3) a change in the place where you, your spouse or your dependent work or reside.

Eligible Dependent Care Assistance FSA Expenses

- Payments to nursery schools, day care centers or individuals who satisfy all state and local laws and regulations
- Payments for before-school care and after-school care beginning with kindergarten and higher grades
- Payments to relatives for care of a qualifying dependent(s); however, the relative cannot be your tax dependent or your child if under age 19 as of the end of the calendar year
- Payments (in lieu of regular day care) to day camp (e.g., soccer camp, computer camp, etc.) but not overnight camps

Ineligible Dependent Care Assistance FSA Expenses

- Tuition expenses for education of a qualified dependent beginning with kindergarten and higher grades
- Expenses incurred while you and/or your spouse are not working (except for short temporary absences like vacation and minor illnesses)
- Expenses for overnight camps
- Transportation fees
- Prepayment for services not received while covered
- Late payment fees

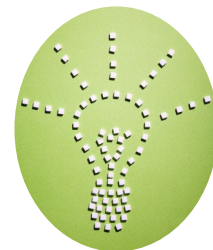
Filing a Claim

To receive reimbursement from your account simply save a copy of the proof of the expense (i.e., a receipt from the daycare provider) and submit it to P&A Group. Claim reimbursement is based on the date you receive the dependent day care service, not the date you pay the invoice or the date you are billed. Remember, you will only be reimbursed up to your available balance in your Dependent Care Assistance FSA on the processing date.

Claim Submission Options

QuikClaim

Instantly submit claims and receipts directly through your smartphone. Capture a picture of your receipt or other supporting documentation of your eligible expense. Log into your P&A Account from your mobile device and select Submit a Claim.



Electronic Claim Upload

Enter claims directly online from your computer or laptop. Log into your account at www.padmin.com, select "Upload a Claim" under the Member Tools tab and follow the instructions.

Paper Claims

Fax: (877) 855-7105

Mailing Address: P&A Group 17 Court Street Suite 500
Buffalo, NY 14202

**When submitting a claim, make sure to include a proof of service documentation (register receipts, etc). Claim forms are available online at www.padmin.com.*

Customer Service

Hours: Monday - Friday 8:30AM - 10:00PM ET.

Phone: (800) 688-2611

Website: www.padmin.com

- Live online chat available during customer service hours

- Toll-free account information available in English and Spanish

- Visit the P&A mobile site-go to www.padmin.com on your smartphone

