

DEPENDENT CARE REIMBURSEMENT ACCOUNT OVERVIEW

The Dependent Care Reimbursement Account (DCRA) allows you to accumulate pre-tax funds to reimburse yourself for childcare or day care expenses for a dependent while you work.

Dependent care expenses that occur in order to maintain employment are eligible for reimbursement using the tax free money placed into your DCRA. If you are married, your spouse must be employed, a full-time student or disabled in order to receive these tax free savings.

For expenses to qualify, they must be related to the custodial care of your dependent and incurred in order for you to work. Schooling/tuition or the expenses for sending your child to an overnight camp are not reimbursable through the account. Additionally, payments made to one of your tax dependents, including your spouse or dependent child under the age of 19, are not reimbursable.

Who qualifies as a dependent?

- Your federal tax dependent who is under the age of 13 (i.e. age 12 and under)
- Your federal tax dependent (including your spouse) who is physically or mentally incapable of caring for him/herself

Reimbursement from your DCRA is easy! Download a reimbursement request form from www.goigoe.com and complete all sections. When complete, attach your back up documentation and send your request to Igoe for review. Once approved, reimbursement will be issued up to the available cash balance in your DCRA. Reimbursements are released on specific dates scheduled by your employer. Please review your Plan Highlights for more specific information on reimbursement release dates.

It is important to plan your expenses carefully. If you are not able to use all of the money you set aside, it cannot be returned to you at the end of the plan year. How do you avoid that? It's simple! Set your election by only putting aside enough money to cover expected day care expenses. To help you decide how much money to set aside, you can use the DCRA Worksheet available online at www.goigoe.com. Keep in mind that the maximum contribution allowed by the IRS in any calendar tax year is \$5,000 (\$2,500 if married and filing separately).

IMPORTANT NOTE:

Paying for dependent care expenses with pretax dollars through a DCRA can provide substantial tax savings! As there may also be a child care tax credit available to you on your tax return, you may wish to compare the two benefits with your tax advisor to determine which form of savings is the best option for you.



Examples of Reimbursable Expenses:

- After/before-school care or extended day programs
- Au Pair expenses (for custodial care)
- Babysitters
- Elder care expenses (for qualified dependent)
- Preschool
- Nursery school
- Sick-child center
- Summer day camp (excludes sports camps)

Questions? Please contact us at:
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