Dependent Care Flexible Spending Account (DC FSA)

What is a Dependent Care FSA?

A Dependent Care FSA is a smart way to save money while covering the cost of care for your loved ones.

- You choose how much to set aside from each paycheck
- Contributions go into your account before taxes, which means:
  - You pay less in taxes
  - You keep more of your paycheck
- ***Once the funds are in your account, you can use them to pay for eligible care expenses***

It's a smart and simple way to reduce your tax burden and make dependent care more affordable while you continue working!

How much can I contribute to my Dependent Care FSA?

- **New for 2026** - Up to ***$7,500*** per year for single individuals or if married and filing jointly or up to ***$3,750*** per year if married and filing separately

For more information, scan the QR code below to visit MyModineBenefits.com or visit www.ebcflex.com/fsa/

Eligible Expenses for Dependent Care FSA:

- Cost of child or adult daycare*
- Nursery school
- Preschool (excluding kindergarten & above)
- Summer day camp

How to get reimbursed:

- You'll pay up front and then be reimbursed after submitting a claim through your online account or the EBC mobile app
- If your provider can't issue an itemized receipt, you can use the EBC claim form

How much can I save in taxes? (will vary based on tax bracket) Consult a tax advisor

- **Identify your income tax bracket:** Let's say you are in the 22% federal income tax bracket and have a 7.65% FICA tax rate
- **Calculate federal tax savings:** $7,500 (FSA contribution) x 22% (income tax rate) = $1,650
- **Calculate FICA tax savings:** $7,500 x 7.65% (FICA rate) = $573.75
- **Total annual estimated savings:** $1,650 + 573.75 = $2,223.75

Important reminders regarding DCFSA:

- Funds must be used for eligible expenses incurred during the plan year or during the grace period
- Incur expenses through **March 15** of the following year. Claims for reimbursements must be submitted by **May 31** of the following year
- Use it or lose it! Unused funds will be forfeited, so plan carefully
- Keep your documentation - all claims must include proof that the expense is eligible under IRS guidelines

* *An eligible dependent is a tax dependent child under age 13 or a tax dependent spouse, parent, or child unable to care for themselves.*

Visit www.ebcflex.com/dependentcarefsa/ for FAQ's and more information on DCFSA