



What's a Dependent Care  
Flexible Spending Account?

It's 30% cheaper  
daycare\* and  
bigger savings  
for your company.

**WageWorks**  
*everyone benefits®*



## With a Dependent Care FSA,

your employees save money for dependent care expenses; they spend less on taxes; and they can save up to 30%\* on daycare, preschool, summer day camp and special care for older family members. It's that easy.

*What do you get out of it?*

Lower payroll taxes and happier,  
more productive employees.



How does a  
Dependent Care  
FSA work?

Participants simply choose how much they want to set aside for daycare expenses, and funds are automatically deducted from their paychecks—pre-tax. That’s right. It’s not subject to payroll taxes, so employees end up keeping roughly 30%\* more in their pockets. Then, they just pay their care providers directly by using their FSA card, or they submit a form for reimbursement of incurred expenses.



What are the  
biggest benefits?

For your team, tax relief is the best benefit—because saving up to 30%\* on childcare and care for older adults makes taking care of loved ones less stressful. For you, that means employees with higher morale and greater productivity. Plus, the more employees contribute, the more you save in payroll taxes.





How much can families set aside each year?

Single parents and married couples filing taxes jointly can contribute up to \$5,000 per calendar year into their Dependent Care FSA. (This means each spouse may contribute \$2,500 per year if they are married, but filing separate returns.) Spouses can't, however, "double-dip" expenses, so expenses reimbursed under one Dependent Care FSA can't be reimbursed under another Dependent Care FSA and vice-versa. Or, one spouse, if they are married and filing jointly, may contribute \$5,000 for a calendar year.



Does a Dependent Care FSA cover healthcare for employees' children?

No. Although both are Flexible Spending Accounts, a Healthcare FSA is very different from a Dependent Care FSA. As you'd expect, a Healthcare FSA pays for healthcare expenses. A Dependent Care FSA is for childcare and elder care.





How do  
people pay  
their providers?

Look for plans with options. Tools that allow employees to pay directly out of employee accounts, and “pay-back” options that reimburse employees for dependent care expenses they’ve already paid out of pocket.



Could someone  
use all \$5,000 on  
the first day of  
their plan?

No. No one can access the full amount of their Dependent Care FSA at the beginning of the plan year. Funds must be accrued in an account before being used.





What do I want in  
a Dependent Care  
FSA provider?

In addition to all the features and options outlined here, look for a partner who advocates for and educates your employees. Someone who'll make sure they fully understand and appreciate their benefits. Someone who's there 24/7 to help families make the best choices.



You can help employees save money on care for their family and put more in their pockets with a Dependent Care FSA.



\*Assumes a combined tax rate of 30%, including FICA, state and federal income taxes. Actual amounts may vary.  
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