



Your Dependent Care FSA

A FLEXIBLE SPENDING ACCOUNT FOR YOUR FAMILY'S CARE





You may have the busiest family on the block with full-time jobs, hectic schedules, kids in daycare programs and after-school care. Maybe you have a parent who lives with you and needs care while you work. If you know you will have dependent care expenses each year, you can set that money aside – before taxes – in a Dependent Care Flexible Spending Account.

WHAT IS A DEPENDENT CARE FSA?

A dependent care flexible spending account (FSA) allows you to set aside money specifically to pay dependent care expenses for your family. An FSA can help you save money because you fund it with pre-tax dollars.

With a Dependent Care FSA, you can:

- Plan ahead for your dependent care expenses
- Use easy payroll deduction to fund your FSA
- Reduce your taxable income so you save on taxes

THE EASY WAY TO SAVE FOR
YOUR DEPENDENT CARE EXPENSES



WHAT YOU SHOULD KNOW ABOUT A DEPENDENT CARE FSA

ADVANTAGES

Planning and saving for your daycare or after-school care expenses is always an advantage – but a dependent care FSA lets you do even more. Having your estimated expenses deducted from your paycheck before any taxes are taken out means you can also save money on taxes.

QUALIFIED EXPENSES

Dependent care FSA funds are available only to pay qualified expenses for your dependent family members. For example, your FSA could pay for services like:

- Infant and child daycare*
- Before-school and after-school care*
- Summer day camp*
- Adult and senior daycare*
- Eligible housekeeping services

*Provider must have state license.

FSA FUNDS EXPIRE AFTER ONE YEAR

The goal is to contribute only as much money as you will spend on dependent care for one year. While the IRS allows you to contribute up to \$5,000 in 2016 and 2017, FSA funds do not carry over to the next year, unless your employer has selected a grace period.

YOUR CONTRIBUTION AMOUNT

Estimating what you contribute to your FSA is very important. You only want to put in what you will use. Review your dependent care expenses for the past two years. This information will help you decide how much to save for the upcoming year.

CONTRIBUTION CHANGES

You can change your election amount only if you have a qualifying event or family status change, such as a:

- marriage
- adoption
- divorce
- job change
- birth

ELIGIBILITY

A dependent care FSA can help you save money if you have a family member or dependent who needs care while you are at work. You may be eligible if the:

- Dependent is under age 13.
- Dependent has a mental or physical disability.
- Cost of care is not more than the income of you or your spouse (whichever is less).



HOW DEPENDENT CARE FSAs WORK

FUNDING YOUR DEPENDENT CARE FSA



- 1 Decide how much money you want to put in the FSA (up to \$5,000 in 2016 and 2017 or \$2,500 if married, and filing separately).
- 2 Ask your employer to withhold an equal part of that amount each pay period, which will go into your FSA before taxes.
- 3 Use your FSA funds throughout the year to pay for qualified dependent care expenses.
- 4 Remember, your FSA funds do not carry over, so make sure you spend all of your money by the end of the year.

QUICK AND EASY REIMBURSEMENT



- 1 Pay your dependent care expenses.
- 2 Save your receipts.
- 3 Submit your receipts to BlueCross, along with a dependent care FSA claim form (available at bcbst.com).
- 4 You will receive a reimbursement check, as long as you have funds in your FSA.
- 5 Checking your claims and FSA balance is easy at bcbst.com using BlueAccess, the secure section of our website.

A FLEXIBLE SPENDING ACCOUNT CAN HELP YOU SAVE ON TAXES



HERE'S AN EXAMPLE OF HOW YOU SAVE WITH AN FSA

Sarah looks at her family's dependent care needs for next year. She estimates they will spend at least \$5,000 for her son's daycare, her daughter's after-school care and day camps during the summer. Funding an FSA will help her pay for care with pre-tax dollars.

| HOW SARAH SAVES | With an FSA (pre-tax dollars) | Without an FSA (after-tax dollars) |
|------------------------|----------------------------------|---------------------------------------|
| Annual Earnings | \$ 30,000 | \$ 30,000 |
| Pre-Tax Contribution | \$ 5,000 | |
| Taxable Income | \$ 25,000 | \$ 30,000 |
| Taxes* | \$ 6,250 | \$ 7,500 |
| Take-Home Pay | \$ 18,750 | \$ 22,500 |
| Dependent Care Costs | | \$ 5,000 |
| Spendable Income | \$ 18,750 | \$ 17,500 |
| SARAH'S SAVINGS | \$ 1,250 | |

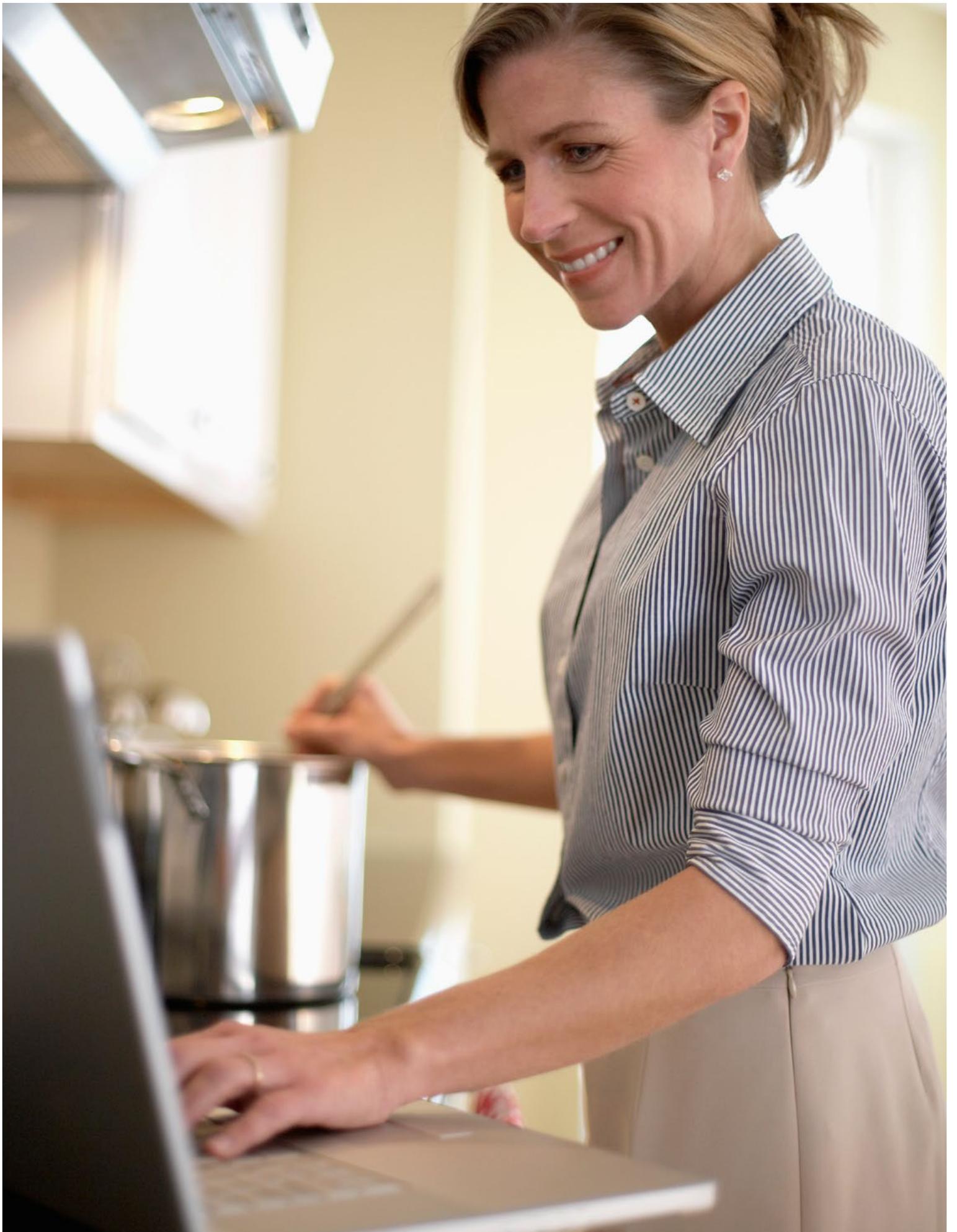
*Based on a 25% tax rate (includes federal, state and Social Security/FICA)

QUESTIONS ABOUT TAXES?

You may be able to use a dependent care FSA and still claim a dependent care tax credit on your income taxes. Certain conditions apply, and you cannot claim the same expenses for both. Talk to a tax advisor for details to make sure you choose the best solution for you.



Sarah's expenses are the same with or without an FSA, but by funding a dependent care FSA with pre-tax dollars, she saves **\$1,250** in one year.



BlueCross BlueShield of Tennessee (BlueCross) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. BlueCross does not exclude people or treat them differently because of race, color, national origin, age, disability or sex.

BlueCross:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as: (1) qualified interpreters and (2) written information in other formats, such as large print, audio and accessible electronic formats.
- Provides free language services to people whose primary language is not English, such as: (1) qualified interpreters and (2) written information in other languages.

If you need these services, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711).

If you believe that BlueCross has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance ("Nondiscrimination Grievance"). For help with preparing and submitting your Nondiscrimination Grievance, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711). They can provide you with the appropriate form to use in submitting a Nondiscrimination Grievance. You can file a Nondiscrimination Grievance in person or by mail, fax or email. Address your Nondiscrimination Grievance to: Nondiscrimination Compliance Coordinator; c/o Manager, Operations, Member Benefits Administration; 1 Cameron Hill Circle, Suite 0019, Chattanooga, TN 37402-0019; (423) 591-9208 (fax); Nondiscrimination_OfficeGM@bcbst.com (email).

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

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ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-565-9140 (TTY: 1-800-848-0298).

ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل برقم 800-565-9140-1 (رقم هاتف الصم والبكم: 1-800-848-0298).

注意: 如果您使用繁體中文, 您可以免費獲得語言援助服務。請致電 1-800-565-9140 (TTY:1-800-848-0298)。

CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-800-565-9140 (TTY:1-800-848-0298).

주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-800-565-9140 (TTY: 1-800-848-0298) 번으로 전화해 주십시오.

ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-800-565-9140 (ATS : 1-800-848-0298).

වැදගත්: ඉංග්‍රීසි භාෂාවෙන් කතා කරන්නේ නම්, නොමිලේ භාෂා සහාය සේවාවන් ඔබට ලබාදීමට සූදානම්ව සිටිමුණි. 1-800-565-9140 (TTY: 1-800-848-0298) දුරකථන අංකයට කථා කරන්න.

ማስታወሻ: የሚናገሩት ቋንቋ አማርኛ ከሆነ የትርጉም አርዳታ ድርጅቶች: በነጻ ሊያግዙዎት ተዘጋጅተዋል: ወደ ሚኒተለው ቁጥር ይደውሉ 1-800-565-9140 (መስማት ለተሳናቸው: 1-800-848-0298).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-800-565-9140 (TTY: 1-800-848-0298).

સુચના: જો તમે ગુજરાતી બોલતા હો, તો નિ:શુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે. ફોન કરો 1-800-565-9140 (TTY:1-800-848-0298)

注意事項: 日本語を話される場合、無料の言語支援をご利用いただけます。1-800-565-9140 (TTY:1-800-848-0298) まで、お電話にてご連絡ください。

PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-800-565-9140 (TTY:1-800-848-0298).

ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-800-565-9140 (TTY:1-800-848-0298) पर कॉल करें।

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-800-565-9140 (телетайп: 1-800-848-0298).

توجه: اگر به زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد. با تماس بگیرید. 1-800-565-9140 (TTY:1-800-848-0298)

ATANSYON: Si w pale Kreyòl Ayisyen, gen sèvis èd pou lang ki disponib gratis pou ou. Rele 1-800-565-9140 (TTY: 1-800-848-0298).

UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-800-565-9140 (TTY: 1-800-848-0298).

ATENÇÃO: Se fala português, encontram-se disponíveis serviços linguísticos, grátis. Ligue para 1-800-565-9140 (TTY: 1-800-848-0298).

ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Chiamare il numero 1-800-565-9140 (TTY: 1-800-848-0298).

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For a complete list of qualifying expenses for your dependent care FSA, talk to your tax advisor or visit **bcbst.com**. You can also find additional details and FSA claim forms at **bcbst.com**. If you have specific questions about your FSA from BlueCross BlueShield of Tennessee, your Consumer Coach is ready to help. Just call:



1-800-527-9206 or email



ConsumerCoach@bcbst.com