

# Dependent Care FSA for **Uniformed** **Service Members**



## WHAT IS A DCFSA?

A Dependent Care Flexible Spending Account (DCFSA) is a pre-tax account used to pay for eligible dependent care services such as child or adult day care.



## WHO IS IT FOR?

Enrollment in a DCFSA is open to DoD civilians, regular (active) component service members, and Active Guard Reserve members on Title 10 orders who have dependents with eligible expenses.



## WHY ENROLL?

Keep more of your money in your pocket! Contributions go straight from your paycheck into your DCFSA before taxes are deducted. This reduces the amount of your income subject to taxes.

*Dependent care costs can be high. A DCFSA can help you set aside earnings tax-free to pay for such expenses. Is a DCFSA right for your family?*



## QUICKLY DETERMINE ELIGIBILITY

- + You must have an eligible dependent and use eligible dependent care services to allow yourself and your spouse (if applicable) to work, look for work or attend school full-time.
- + Your dependent must be claimed on your tax return for the year you are enrolling in a DCFSA.
- + If your spouse is a full-time student or incapable of self-care, for purposes of DCFSA eligibility, your spouse is considered to have \$250 per month in earned income for your first dependent, and \$500 per month in earned income if you have two or more dependents.

## COMMON ELIGIBLE EXPENSES

- + Preschool & After-School Care
- + Day Care
- + Day Camp

## ELIGIBLE DEPENDENTS

-  Children under age 13 who are claimed as dependents for tax purposes
-  Spouse or dependent of any age who is physically or mentally incapable of self-care

## INELIGIBLE EXPENSES

- ✗ School tuition expenses (kindergarten and above)
- ✗ Services provided by one of your dependents
- ✗ Night-time babysitting (unless you work nights when the expenses are incurred)
- ✗ Overnight camps
- ✗ Nursing homes, medical care or other residential care centers

## HOW MUCH CAN I CONTRIBUTE?

### *\$100-\$5,000 Pre-tax Earnings*

- You may contribute a minimum of \$100 and a maximum of \$5,000 per household, or up to the amount of your total earnings if you earn less than \$5,000 per calendar year into a DCFSA.
- However, your marital and tax filing status may impact the amount you are able to contribute.

## DEADLINES

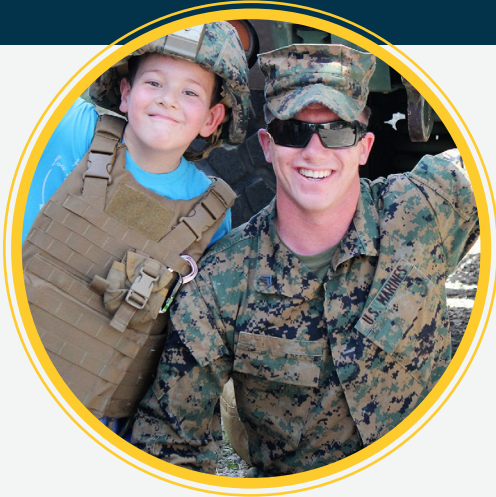
- You may only enroll in a DCFSA during the Federal Benefits Open Season, typically held mid-November through mid-December each year, or when you have experienced a Qualifying Life Event (QLE) such as the birth or adoption of a child, a divorce, or relocation.
- The DCFSA operates on a calendar year basis, starting January 1 and ending December 31.
- There is a grace period through March 15 of the following year to incur expenses. Claims can be submitted through April 30 of the following year.
- Any funds remaining in a DCFSA after April 30 of the following year are forfeited.



# IT'S A TOOL THAT CAN HELP YOU KEEP MORE OF WHAT YOU EARN

The cost of day care for children or supervision for an aging parent can be a significant expense for many families. Use your DCFSA to pay for out-of-pocket eligible expenses tax-free.

“I am a regular (active) component E-3 with a new baby. My spouse is going to school and works part-time, and we use a babysitter so that we can both work and study. We are wondering if contributing to a DCFSA will provide any real financial benefit to our family? Is a DCFSA right for us?”



*Good news! You are eligible as both you and your spouse have earned income and you have an eligible dependent.*



A DCFSA can be used to pay for child care expenses so that you and your spouse can work, study, and look for work.



You may notice a small increase in your net pay throughout the year due to a decrease in the amount of taxes deducted from your pay.

## A FEW THINGS TO CONSIDER

While a DCFSA can help you save on eligible dependent care expenses, it may not be right for everyone. Additional resources are available to help you make the decision that's right for you and your family:

- + A financial planning professional can help you consider your options and assist you with budget and cash flow planning to enable you to best take advantage of the DCFSA benefit. Connecting with a financial planning professional is easy and free for service members and their families.
- + A tax consultant can help you examine your family's tax situation and how a DCFSA might benefit you. Service members and their families have access to free tax consultation from MilTax via Military OneSource.

**Enroll at: [FSAFEDS.gov/enroll](https://www.fsa.feds.gov/enroll)**



Scan the QR code to learn more about the DCFSA and the options available to you, or visit [MilitaryOneSource.mil/DCFSA](https://www.militaryonesource.com/DCFSA)