Dependent Care Flexible Spending Account

Administered by ASI Flex, a Dependent Care Flexible Spending Account (DCFSA) allows you to save between 25% to 40% on the cost of child care or day care for children 13 and under, and for homecare for an older or incapable dependent while you are at work or school.

IRS contribution

In reference to Flexible Spending Accounts and Health Savings Accounts, it’s the amount of money that you elect to be deducted from your paycheck to be deposited into your FSA or HSA account. [2] limit: $5,000 per household for the 2019-2020 plan year and the 2020-2021 plan year.

Last plan year (July 1, 2019-June 30, 2020)

Deadlines:

- If you do not use all of your funds within the FSA, the remaining amount will be forfeited.

Due to COVID-19 - deadlines for 2019-20 plan year extended: The existing grace period for the plan year ending 6/30/2020 has been extended. You are now able to continue incurring expenses through 12/31/2020 and file claims until 3/13/2021.

Current Plan Year (July 1, 2020 - June 30, 2021)

- You must incur the qualifying expense between July 1, 2020 and Sept. 15, 2021.
- If you do not use all of your funds within the FSA, the remaining amount will be forfeited.

Plan Details

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- Direct deposit form [6]
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Determine your contributions

FSA
(Flexible Spending Account)
A tax-savings account set up by you to pay for certain qualifying expenses on a pre-tax basis, meaning before they are made subject to payroll taxes. In reference to Flexible Spending Accounts and Health Savings Accounts, it’s the amount of money that you elect to be deducted from your paycheck to be deposited into your FSA or HSA account. Contributions end on June 30, but you’ll have until Sept. 15 to spend your money.
DCFSA Basics

- Our DCFSA (Dependent Care Flexible Spending Account) is used to pay for childcare expenses for children under the age of 13 or qualifying adults, who cannot care for themselves and meet IRS guidelines. [11] It is administered by ASIFlex [12].

- This account is regulated by the Internal Revenue Service (IRS), who determines contribution limits, qualifying expenses, and has designated it as a “use it or lose it” account. [14] The IRS regulations in regards to the money you elect to contribute to flexible spending accounts that must be spent and claimed within the designated period of time or the monies will be forfeited. [15]

- The IRS allows these expenses to enable you to work. If you are married, your spouse must be working, looking for work or be a full-time student. If you have a stay-at-home spouse, you should not enroll in the DCFSA. [16]

- Your DCFSA (Dependent Care Flexible Spending Account) is used to pay for childcare expenses for children under the age of 13 or qualifying adults, who cannot care for themselves and meet IRS guidelines. [11] It becomes effective on your benefits eligibility date if you are a new hire or July 1, if enrolled during Open Enrollment.

- Open Enrollment Period is the period during which an eligible employee may enroll in, change or cancel CU benefits plans. This event is held every spring, with an effective date of July 1. [17]

- DCFSA Contributions can be a minimum of $10 per month up to an annual maximum of $5,000 per plan year (July 1 to June 30) per household. The money is deducted from your pay pretax. [18]

- The amount you elect will be divided by the number of remaining pay periods in the plan year. Your final contribution will be June 30.

- Your election is fixed for the tax year however, changes are permitted if you experience a Qualifying Life Change. [19]

For tax purposes, you are responsible ensuring that your total calendar-year
contributions do not exceed $5,000 per Household. For example, if you are hired by CU in the middle of our plan year and have contributed to a DCFSA (Dependent Care Flexible Spending Account) used to pay for childcare expenses for children under the age of 13 or qualifying adults, who cannot care for themselves and meet IRS guidelines. [11] with your prior employer, you must keep track of the total contribution amount.

### Spending DCFSA Funds

- Funds in the account must be utilized on qualifying dependent care expenses [6], or you will pay both taxes and penalties.
- Expenses qualify for the DCFSA (Dependent Care Flexible Spending Account) used to pay for childcare expenses for children under the age of 13 or qualifying adults, who cannot care for themselves and meet IRS guidelines. [11] when they are incurred.
- To get reimbursed, submit your receipt for services on-line at [www.asiflex.com](http://www.asiflex.com) [12] or you can download the free mobile app for Android and Apple devices.

### Use it or Lose it Accounts

Failure to incur the expense and claim the reimbursement by the deadline will result in the forfeiting of your funds.

- Plan year 2019-2020: You must incur expenses from July 1, 2019 to Sept. 15, 2020 and claim the money by Nov. 15, 2020
  - **Deadlines for 2019-20 plan year extended:** The existing grace period for the plan year ending 6/30/2020 has been extended. You are now able to continue incurring expenses through **12/31/2020** and file claims until **2/15/2021**.
- Any funds that remain in the account beyond the above deadlines will be forfeited.

### Effect on Social Security

Cafeteria plan Cafeteria Plan A plan that meets the requirements of IRS Code Section 125 and offers participating employees certain non-taxable benefits, such as the Premium Only Plan and flexible spending accounts [20] dollars are deducted from your pay pretax, meaning before federal, state, Social Security and Medicare taxes are paid. Participating in cafeteria plans reduces the salary on which annual contributions to Social Security are calculated, which may result in a reduction of the Social Security benefits received at retirement.

### Effect on PERA

Cafeteria plan Cafeteria Plan A plan that meets the requirements of IRS Code Section 125 and offers participating employees certain non-taxable benefits, such as the Premium Only Plan and flexible spending accounts.
dollars are deducted from your pay pretax, meaning before federal, state, and Medicare taxes are paid. Your PERA retirement annuity or disability retirement is based on your PERA Highest Average Salary (HAS) calculation. Since cafeteria plans Cafeteria Plan A plan that meets the requirements of IRS Code Section 125 and offers participating employees certain non-taxable benefits, such as the Premium Only Plan and flexible spending accounts reduce the salary on which PERA calculates benefits, your PERA retirement benefits may be reduced.

Review the FSA plan document.

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Employee Services

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Source URL: https://www.cu.edu/employee-services/benefits-wellness/new-employee/hsa-fsa/dependent-care-flexible-spending-account

Links
[15] https://www.cu.edu/es-benefits-glossary/use-it-or-lose-it
[18] https://www.cu.edu/employee-services/benefits-wellness/current-employee/life-events
[21] https://www.cu.edu/docs/flexible-benefits-plan