

# Dependent care flexible spending account

## Smart savings for you and your employees

It's easy for you to offer benefit programs that help members save money for qualified dependent care expenses with Humana's dependent care flexible spending account (DCFSA). A DCFSA allows your employees to set aside pretax dollars to use for eligible dependent care expenses that they incur in order to work. Employees fund their DCFSA with paycheck deductions.



### What you need to know about DCFSAs

The DCFSA allows employees to save for eligible dependent care expenses while reducing your FICA and federal unemployment tax liability. These accounts can be funded by both employees and employers. If you choose to contribute directly to your employees' accounts, you can contribute as much as you wish tax-free, as long as the combined contribution amount does not exceed IRS guidelines.

#### Employee contributions are made through paycheck deductions.

- Employees can have a DCFSA even if they decline health coverage.
- Employees can't change their election amount during the plan year unless they experience a qualifying life event.
- All unused funds from the DCFSA remain with the employer.



**Funds are available to employees as contributions are added**

#### DCFSA can be used for:

- Adult day care center
- Au pair
- Babysitter inside or outside household
- Before and after school or extended day programs
- Child care
- Custodial childcare or eldercare expenses
- Day camps
- Daycare centers
- Household employee whose services include care of a qualifying person
- Late pick-up fees
- Looking-for-work expenses
- Nanny expenses
- Payroll taxes related to eligible care
- Preschool/nursery school for pre-kindergarten
- Registration fees (required for eligible care, after actual services are received)
- Sick-child care center
- Summer day camps
- Transportation to and from eligible care (provided by your care provider)

### Employer tax savings example

ACME Co. has 50 employees and annual payroll costs of \$1,250,000. At enrollment, 10 employees chose the DCFSA, with the maximum annual contribution of \$5,000. So the total value of DCFSA contributions is \$50,000.

Example of annual tax savings*	With a healthcare DCFSA	Without a healthcare DCFSA
Annual payroll	\$1,250,000	\$1,250,000
Total of employees' pretax DCFSA contributions	-\$50,000	-\$0
Taxable payroll	\$1,200,000	\$1,250,000
FICA taxes	\$91,800	\$95,625
<b>Employer tax savings</b>	<b>\$3,825</b>	<b>\$0</b>

This example is intended to demonstrate a typical tax savings based on 7.65% FICA taxes only. FICA savings of 7.65% may not apply to all participants. Some employers' FICA savings rate may be applicable to Medicare (1.45%). Your specific state may allow additional payroll tax savings.



# Why you'll love Humana Access



## Simple administration saves you time

- Dedicated Customer Care
- Consolidated billing
- Integrated enrollment and eligibility
- Easy-to-navigate employer portal
- Complete reporting package
- Educational resources and materials to help drive enrollment and utilization



## Flexible bundling with other spending accounts

- You can save even more money and pair the DCFSA with other spending accounts at no additional cost.
- Our full suite of spending account options include:
  - Health savings account (HSA)
  - Health reimbursement arrangement (HRA)
  - Healthcare flexible spending account (FSA)
  - Limited purpose flexible spending account (LPFSA)
- Certain account options available to you are dependent on your medical plan selections



## Why your employees will love Humana Access

- Save money by using pre-tax funds to pay for IRS-qualified dependent care expenses, such as daycare, or custodial care for dependent adults.
- Learn how to get maximum value with their accounts from educational resources.
- Easy access leads to a positive member experience.



## Humana Access card

- Uses one debit card for all accounts
- Provides convenient way to use spending account funds
- Eliminates need to pay out of pocket and then wait for reimbursement
- Has built-in fraud protection features



## Member Portal

- Use one website to manage all their spending accounts, even on the go.
- Access information from any device—laptop, tablet or mobile phone.
- Check balances, submit reimbursement requests, manage communication preferences, use self-service tools and more.

A DCFSA is not an insured benefit. It is a service administered by Humana Insurance Company.

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