



Is a Dependent Care FSA Right For Your Family?

YOU MAY BE ELIGIBLE IF...



1

You pay for care for a dependent so that you and your spouse can work, look for work, or go to school full-time.

2

You are paying for the care of a person or people who are under the age of 13 or a person of any age who is incapable of self-care.

3

You claim that person or people as a dependent on your federal tax return.

4

You serve as a regular (active) component service member, Active Guard Reserve member on Title 10 orders, or DoD civilian employee.

If all four statements above are true for you, you may be eligible to use the DCFSA benefit to set aside pre-tax earnings to pay for eligible dependent care expenses.

BUDGETING & ELIGIBLE EXPENSES

A DCFSA allows up to \$5,000 of pre-tax earnings per household, per year for eligible dependent care expenses.

To qualify:

- + Both spouses must have earned income.
- + Contributions are limited to an amount equal to or lesser than your spouse's anticipated earned income for the tax year not to exceed \$5,000 per family.*
- + Eligible dependent care expenses are expenses that allow you and your spouse to work, look for work, or go to school and must be supported by receipts to claim reimbursement.

*Spouses who are full-time students or not able to care for themselves are treated as having earned income of \$250 per month if there is one DCFSA qualifying dependent, and \$500 per month if there are two or more qualifying dependents.



TAX IMPLICATIONS

The DCFSA may affect eligibility for other tax benefits. Consult a MilTax expert or personal financial manager or counselor for guidance specific to your family.

1

If you have greater than \$5,000 in dependent care expenses, it may be possible to take advantage of both the child and dependent care tax credit and a DCFSA. However, you cannot use the same expenses for both tax incentives.

2

If you are Earned Income Tax Credit (EITC)* eligible, it is possible for your family to benefit from a DCFSA. However, you should consider how DCFSA contributions will impact your monthly cash flow.

MilTax can help provide further guidance on tax situations impacting your eligibility for a DCFSA. [Call or chat](#) 24/7 to schedule a consultation with a MilTax expert.

*EITC varies based upon your family's adjusted gross income (AGI) and number of dependents.

Plan wisely! If there are remaining funds in your DCFSA account after December 31, you have a grace period until March 15 of the following year to utilize those funds. Claims must be submitted by April 30 of the following year. Any funds remaining after this date are forfeited.

THINGS TO CONSIDER BEFORE YOU ENROLL

1

Review your family's budget and cash flow. Make a plan to ensure your bills are paid on time! Free personal financial managers and counselors are available to you through [Military OneSource](#) and at your local military installation via [FINRED](#).

2

Understand your tax benefits. Free tax software and one-on-one help from military tax experts are available to service members and their families. Visit [MilTax](#) to schedule a phone or in-person consultation.

3

Plan ahead. You can only sign up for a DCFSA during Federal Benefits Open Season unless you have recently experienced a divorce, birth of a child, or other qualifying life event (QLE).



LEARN MORE

Scan the QR code to find FAQs, helpful calculators, enrollment details and tips for maintaining your DCFSA.