



# Dependent Care FSA for Members of the Uniformed Services



## 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 ELIGIBLE?

- Members of the regular (active) component
- Members of the reserve component performing Active Guard Reserve (AGR) duty
- Members of the National Guard performing Active Guard Reserve (AGR) duty

## 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 these expenses. Is a DCFSA right for your family?*



## QUICKLY DETERMINE ELIGIBILITY

- + You have an eligible dependent. You use eligible dependent care services so that you and your spouse (if applicable) can 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 up to \$3,000 per year in earned income for one dependent, and up to \$5,000 per year if you have more than one dependent.

## 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 in Pre-tax Earnings

You may contribute a minimum of \$100 and a maximum of \$5,000 per household.

- \$5,000 per year if you file as single or head of household or \$2,500 per year if married filing separate tax returns.
- \$5,000 per year or up to the yearly income of the lower-earning spouse (if less than \$5,000) if married and filing a joint tax return.

## DEADLINES

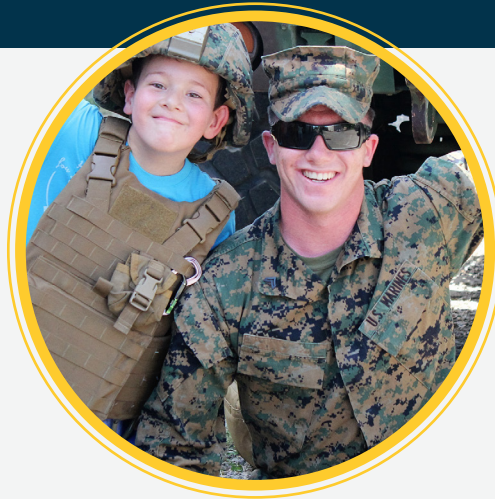
- You may only enroll in a DCFSA during the Federal Benefits Open Season, typically held mid-November through mid-December each year, or when you have experienced a Qualifying Life Event (QLE) such as the birth or adoption of a child, a divorce, or relocation.
- The DCFSA operates on a calendar year 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 your 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. 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 heard about the DCFSA, and are wondering if we are eligible for this benefit?”



*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.



By setting aside pre-tax earnings for your family's care, you can lower your taxable income and can reduce your tax liability.

## 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 **personal financial manager** (PFM) or **counselor** (PFC) can help you consider your options and build your spending plan. For Service members in the Army, Marine Corps, Navy, Air Force, Space Force, [connecting with a PFM or PFC](#) is easy and free.
- + A **tax consultant** can help you examine how an DCFSA might benefit you and your family. Army, Marine Corps, Navy, Air Force and Space Force Service members have access to free tax consultation from [MilTax via Military OneSource](#).



Scan the QR code to learn more about the DCFSA and the options available to you, or visit [FINRED.USALEARNING.GOV/FSA](https://FINRED.USALEARNING.GOV/FSA)