



Dependent Care Spending Accounts

WageWorks[®]
formerly Creative Benefits

Want More Spendable Income?

Participate in a Spending Account!

A Dependent Care Spending Account

is used to pay for dependent day care expenses that enable you (and your spouse, if married) to be gainfully employed. This care may be for a child 12 or under, or for the care of your spouse or other dependent such as an invalid parent who is incapable of self care. The dependent must regularly spend at least 8 hours per day in your home.

Your Money is NEVER Taxed

Because your Spending Account deductions are pretax, you save 25-50 percent on your dependent day care expenses. Your money goes further because you never have to pay tax on the money set aside in this account.

Convenience is another advantage. Your regular deposits help you accumulate funds to meet your predictable day care expenses.

Simple To Use

Regular amounts are deducted from your gross wages and applied to your spending account. Payments are issued to you from your spending account when you submit a documented claim for reimbursement.

To set up a spending account, all you have to do is estimate how much money you spend for dependent day care expenses each year. Then, complete and sign an enrollment form. You must sign up during your open enrollment period or when you are first eligible for the plan.

After you have paid for the dependent day care service, you submit a completed claim form and receipts to our administrator, WageWorks, formerly Creative Benefits (WageWorks) who issues a payment to you. It's that easy!

Estimating Your Expenses

For dependent day care expenses, estimating your expenses is easy. For example, if your child spends all but two weeks a year in day care and you spend \$90 per week, your expenses are \$4,500 per year (50 weeks at \$90). Eligible expenses for dependent day care are listed in this newsletter. Please review them carefully.

DEPENDENT CARE SPENDING ACCOUNT

(Check your Plan Document/SPD for details or limitations.)

ELIGIBLE EXPENSES

- ▶ Before and after school care
- ▶ Preschools
- ▶ Day care centers (facilities that care for 6 or more children must be licensed)
- ▶ Day camps (including summer and holiday)
- ▶ Services provided by someone who is not your minor child, dependent for income tax purposes, or the parent of the child
- ▶ Registration and application fees
- ▶ Au pair or nanny
- ▶ Transportation – to or from where care is provided, if furnished by day care provider
- ▶ Sick child facility
- ▶ FICA and FUTA taxes of day care provider

INELIGIBLE EXPENSES

- ▶ Kindergarten tuition
- ▶ Overnight camps
- ▶ Prepayment for services
- ▶ Late payment fees
- ▶ Incidental expenses such as meals, activity charges, supply fees, equipment fees, uniforms (when separate from care)

This list is not intended to be a guarantee of reimbursement or eligibility. All claims are reviewed when they are received and the determination of eligibility or reimbursement is made based upon the information received from the plan participant.

The amount you elect to contribute to the Dependent Care Spending Account reduces the amount you may deduct under the Dependent Care Tax Credit, dollar for dollar.

Most people will be better off with the Dependent Care Spending Account. However, because there are so many factors involved, including Earned Income Credit and Child Tax Credits, you should talk to a tax professional to help you decide which is best for your situation. Neither we, as your employer, nor WageWorks can provide qualified legal or tax advice. To help you determine which option might be best for you, use the online Tax Saving Calculator located on our administrator's website.

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Decide Carefully

You may change your contribution when you have a qualifying change in status such as a change in legal marital status, number of dependents, employment status, or if a dependent satisfies or ceases to satisfy eligibility requirements. You may also change your contributions if you change day care providers, your child no longer needs day care or your provider changes the amount you pay for child care. Contact our Human Resources or Benefits department for more information about qualifying changes in status.

You may not change your contributions simply because you have changed your mind or you made a mistake in estimating your total expenses.

Plan Conservatively

Tip #1: Be conservative in your estimates. According to the IRS, if your total expenses for the plan year are less than the amount you elected to contribute, the unused amount will be forfeited. This is referred to as the "Use it or Lose it" rule.

Tip #2: Don't let the first tip keep you from saving 25—50 percent in taxes. It is easy to say, "I just won't bother with it." That can cost you significant tax savings!

Rapid Claim Process

Step 1 - Complete an Online Claim Form

Step 2 - Attach the Required Documentation

Step 3 - Submit to WageWorks, formerly Creative Benefits

Services must take place during the plan year and while you are a plan participant to be eligible for reimbursement. If you are not a participant for the entire plan year, only expenses incurred while you are a participant will be reimbursed. **Important:** You will need the provider's tax ID number to file your tax return at the end of the year.

Reimbursement Turnaround

WageWorks pays all claims according to a schedule established by us. WageWorks processes all claims within one business day of receipt. Unless your claim is denied, you can expect to receive payment on our next scheduled payout date.

MORE INFORMATION

WEBSITE - www.creativebenefits.com

- ▶ Online Claim Entry
- ▶ Account Information
- ▶ Tax Saving Calculator



EMAIL - questions.vista@wageworks.com

CUSTOMER SERVICE - 888-295-5656

- ▶ Through an interactive menu, you can access your account balances, pending claim amounts, claim and payment activity.
- ▶ If you need further assistance, a customer service representative is available during business hours (5:00 a.m. to 5:00 p.m., Monday through Friday, Pacific Time).



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Since claims are paid based on what has been deducted from your paycheck and fully rendered services, there may be a couple of weeks delay in getting claims reimbursed. You can minimize this by submitting claims in a timely manner and including all required documentation. Remember, you are saving 25-50 percent in taxes with each payroll deduction.

This newsletter is only a summary of the plan provisions. Complete information is described in the Summary Plan Description (SPD) which is available from our Human Resources or Benefits department.