(To translate this text, copy/paste into Google Translate.)

[Music]

Hello! My name is Nic Miceli, I'm the Program Lead for Family Services with the University of Virginia Human Resources, and I'm here to talk to you about the Dependent Care Flexible Spending Account, or FSA. If you and your spouse or partner are working or in school, and you have expenses related to daycare for a child up to 13 years of age or for an adult who lives in your home who can't care for themselves, then this might just be a great option for you.

Planning for predictable daycare expenses can help you save money and ensure that you are budgeting for the cost of care. For me, the Dependent Care FSA is used for an adult with disabilities who lives in my home who needs daycare supports. The costs are predictable, so I can estimate the annual amount needed and elect for that amount to be placed into a Dependent Care FSA during Open Enrollment for the upcoming January through December.

So, let's get into the what, why, and when to see if this is right for you. A Dependent Care Flexible Spending Account, or an FSA, is an employer-sponsored plan that allows you to use pre-tax dollars to reimburse yourself for qualified dependent care expenses. Some examples of eligible expenses are au pair services, babysitting services, before and after school care, custodial or elder care expenses, and even summer day camps. It's really important to note that this type of FSA is not for health care expenses, it is strictly for dependent daycare expenses. The contributions that you make to your Dependent Care FSA are deducted from your gross pay before your federal, state, and social security taxes are deducted, which decreases your taxable income. If your adjusted gross income is greater than $25,000 each year, then the Dependent Care FSA may be a more beneficial tax benefit than the federal dependent care tax credit. We do recommend that you consult a tax professional for an assessment of your personal situation if you have questions about this benefit's taxability.

So, when can you elect a Dependent Care FSA? You can elect a Dependent Care FSA during Open Enrollment, during your new hire elections, or if you have a qualified life event. Your contributions will be deducted from your pay each period in equal installments, and the funds can be used once you incur a qualified expense, from January through December, plus the grace period through March 15th. This means that funds elected for 2024 can be used for eligible expenses through March 15th of 2025. It's important to note that the Dependent Care FSA funds do not roll over annually; they are use or lose, so only elect the amount that you know you will incur in daycare expenses. Lastly, you do not have to be enrolled in the UVA health, dental, or vision plans to elect this benefit. The Dependent Care FSA can be elected exclusively without the election of any other benefits. If you have questions, then you can speak with a Fidelity reimbursement account service specialist at 833-299-5089, or see the UVA HR page for additional information.

[Music]

HR FSA webpage: hr.virginia.edu/flexible-spending-account.

For questions, email AskHR@virginia.edu, or call 434.243.3344. Thank you!