



Everything

You need to know about Dependent Care Flexible Spending Account (DCFSA)



What is a DCFSA?

A **Dependent Care Flexible Spending Account (DCFSA)** is an employer-sponsored healthcare benefit that allows employees to set aside pre-tax dollars to cover qualified expenses for dependent care. They can be paired with a FSA, HSA, LPPSA, or HRA.

Employees may set aside up to \$7,500 (for single or married filing jointly on taxes) or \$3,750 (married couples filing separately) per year for qualified dependent care expenses.

The IRS allows you to make deductions on a pre-tax basis. For example, if you contribute \$600 to an FSA account and \$3,000 to a DCFSA account, that is \$3,600 of your annual salary that you will not pay federal, state (if applicable), Social Security, or Medicare taxes.

DCFSA Plan Runout

At the end of each plan year, your DCFSA Account has a 75-day grace period. This provides an extension of 75-days to incur expenses after the plan year has ended. All plan year and grace period claims will need to be submitted to Leavitt Northeast Insurance 90-days after the plan year has ended.



Important Notes:

- The full DCFSA election is not available the first day of the plan year. This plan is contribution based only, meaning the balance available for reimbursement is the amount withheld from your pay.
- This benefit isn't just for childcare; if you are caring for an adult dependent, you can use your DCFSA to pay for that care, too. Who can be covered under a DCFSA?
 - Children 13 years and under who reside in your household.
 - Adults/children mentally or physically incapable of self-care who spend at least 8 hours a day in your household and whose principal abode is your household for more than half of the year.

What can a DCFSA be used for?

A DCFSA can be used to pay for eligible expenses incurred during the plan year that allow the account holder and spouse to be gainfully employed. Eligible expenses include before and after school and/or extended day programs, day care, elder care, nursery school, day camps or similar programs, and babysitting (as long as it allows the employee to work or look for work).

FUN FACT

DCFSA funds can help new parents pay for childcare, which may help ease new financial pressures when transitioning back to the office.



What are some examples of expenses that are not eligible with a DCFSA?

Expenses which are not eligible with a DCFSA include overnight camps, school tuition for a child in kindergarten or above, or a babysitter providing coverage that allows the employee to be gainfully employed.

DCFSA's are limited to expenses related to the care of qualified dependents so they cannot be used for any other purpose, such as medical, dental, or vision related expenses incurred by the account holder or their dependent(s).





Dependent Care Flexible Spending Account Valid Receipt Requirements

Items a valid receipt must contain:

1. Provider Name
2. EIN or SSN Number
3. Child(ren) Name(s)
4. Description of Service
5. Amount Paid

Due to IRS regulations, Leavitt Northeast Insurance is required to validate each expense prior to approval for reimbursement. In order for us to maintain efficient processing of your claims, we have listed below an example of information that the IRS regulates as valid documentation.

WATCHING CHILDREN GROWING DAYCARE
253 TODDLER LN
HOLLIDAYSBURG, PA 16648
EIN: 52-3648951

Billing For:
Sara Smith
309 Plum St
Hollidaysburg, PA 16648
Child Name: Brooke Smith

<u>Date of Service</u>	<u>Service Type</u>	<u>Amount</u>
August 18, 2025	Daily Child Care, toddler group	550.00

Total Amount Due: 550.00

For questions about your Dependent Care Flexible Spending Account, please contact
Leavitt Northeast Insurance Claims Department at

(800) 326-9850 or e-mail LNE-Claims@leavitt.com
Monday through Friday 8:00 a.m. to 4:00 p.m.



Leavitt Northeast
Insurance