

Dependent Care FSA Summary

2018–2019

Plan Description:	Dependent Care Flexible Spending Account Summary	Member Services Phone #:	844-448-0325
Product:	Dependent Care FSA	Website Address:	ADPTotalSource.adp.com

Dependent Care Flexible Spending Account

Plan Year	June 1 – May 31
Maximum Plan Year contributions	\$5,000 (\$2,500 if married filing separately) ¹
(Highly compensated employees) ² Maximum Plan Year contributions	\$2,000
How are contributions processed?	Payroll deduction from pretax income <ul style="list-style-type: none"> A self-employed individual (SEI) may only participate on a post-tax basis and only if he or she is receiving W-2 wages.
What expenses are eligible?	<p>Dependent care expenses for dependents³ under 13 years of age, which you must pay to enable you to work. If you're married, your spouse must also be employed full-time, be a full-time student, or be incapable of self-care.</p> <p>Eligible dependent care expenses include fees charged by:</p> <ul style="list-style-type: none"> Qualified child care centers and nursery schools In-home babysitters and nannies After-school programs that enable employee and spouse to hold gainful employment Non-nursing care of a dependent age 13 or older who is physically or mentally incapable of self-care Non-medical care of an elderly dependent whose caregiver spends at least 8 hours a day at the taxpayer's home

IMPORTANT NOTE: Outlined above are examples of eligible expenses. Qualified expenses under the Dependent Care FSA include eligible dependent care costs that you must pay to enable you to work or look for work. **The Dependent Care FSA does NOT cover medical expenses for you or your dependents.** IRS rules require that unused FSA contribution balances be forfeited after the end of the Plan Year filing deadline (i.e., July 30). To minimize the risk of FSA contribution forfeiture, please plan carefully when electing your FSA contributions. For complete details, please refer to the ADP TotalSource®, Inc. Health and Welfare Plan Summary Plan Description and Summary of Material Modifications located on ADP TotalSource at ADPTotalSource.adp.com.

¹ Note that if more than \$5,000 (\$2,500 if married filing separately) is contributed to the Plan during a single Calendar Year, the excess amount will be included in Box 10 of the Form W-2. It's the participant's responsibility to report anything over \$5,000 as taxable income on their individual income tax return.

² Highly compensated employees are only permitted to contribute up to \$2,000 per Plan Year to the ADP TotalSource, Inc. Dependent Care FSA. In addition, ADP TotalSource may, at any time before or during the Plan Year (June 1 – May 31), notify a highly compensated employee that he or she must discontinue pretax contributions to the Dependent Care FSA or that he or she must limit such pretax contributions to a particular dollar amount below the \$2,000 maximum if ADP TotalSource determines in its discretion that such action is necessary or advisable in order to satisfy the nondiscrimination requirements applicable to the Dependent Care FSA.

For the 2018–2019 Plan Year, a "highly compensated employee" is defined by the IRS as an individual that (a) owns (or constructively owns) more than 5% of the stock, capital or profits interest of a client company on any day during the Plan Year, or (b) will be paid compensation by ADP TotalSource in excess of \$120,000 annually. Please note that the definition of a highly compensated employee may change for future Plan Years.

³ Certain IRS rules apply with respect to caregiver/provider eligibility.