

## **DEPENDENT CARE REIMBURSEMENT ACCOUNT**

### **Overview**

Capital Area Health Consortium (CAHC) employees may qualify for a pre-tax dependent care reimbursement account. Qualified employment-related dependent care expenses (those expenses incurred by you in order that you can be gainfully employed) may be deducted from an eligible resident's/fellow's payroll on a pre-tax basis. Benefits may include, if eligible, coverage of expenses for care of children under the age of 13, your dependent, incapacitated parents or spouses and incapacitated children, regardless of age. The term "dependent" includes any individual for whom you are entitled to a personal federal income tax exemption.

Salary will be reduced by a pre-determined amount specified by the resident/fellow (with a maximum of \$5,000 per year). The amount of the deduction is credited to a non-interest-bearing account and will be used to reimburse the resident/fellow for qualified dependent care expenses.

The plan year is January 1 through December 31. Unused account balances at the end of the plan year will be forfeited in accordance with IRS regulations.

Reimbursement of the held funds will be made upon receipt of documentation of payment to a care provider. Receipts may be mailed, emailed or faxed to CAHC and funds will be added to the resident's next paycheck.

See <https://www.irs.gov/pub/irs-pdf/p5137.pdf> for additional information.