

IMPORTANT INFORMATION ABOUT FILING CLAIMS

ELIGIBLE DEPENDENT CARE EXPENSES

In general, dependent/child care expenses are eligible if all of the following conditions are met.

1. You and your spouse (*if applicable*) must be employed, disabled or be a full time student during the period when daycare services are provided.
2. The child must be under the age of 13 and be your legal dependent for federal income tax purposes.
3. The child must normally spend a minimum of 8 hours a day in your household during the period for which you claim dependent care reimbursement. ***Therefore, no part of an expense for overnight camp is eligible for reimbursement from a dependent care spending account.***
4. The primary purpose of daycare service is for the care of the dependent and not for house cleaning, education or participation in an extra-curricular activity, etc.
5. The daycare provider is not your child under the age of 19 and is not your legal dependent.

CLAIM DOCUMENTATION

The IRS requires that all expenses be substantiated. That is, you must provide documentation that proves the dependent care expenses were incurred during the respective plan year. If you do not attach acceptable documentation, your claim will be returned to you. Below are some of the ways to properly document your expenses according to IRS rules.

Dependent Care Expenses:

- Documentation requires a receipt from your daycare provider that includes: 1) the provider's name, 2) address, 3) federal tax ID number (*or social security number*), 4) signature, 5) dates of care, 6) name of the qualified dependent(s), and 7) the amount paid for daycare services. *If your provider does not provide you with receipts, Admin America has a form that you can fill out and have the daycare provider sign.*
- Cancelled checks will not be accepted as documentation of a dependent care expense.

CLAIM RETURN POLICY

If you submit a claim for an ineligible expense, for a time when you were not enrolled in the plan, with insufficient documentation, etc., Admin America will return the claim to you by mail or email. We will include an explanation of what modifications (*if any*) you must make before your claim can be accepted and reimbursed. If we indicate that an adjustment is necessary to make the claim acceptable then make the modification and mail or fax the claim back to Admin America. When we receive your corrected claim, we will include it with the next scheduled processing (*if applicable*). Reimbursements (*if applicable*) for corrected claims cannot be processed separately from the regular processing date for your company.

END OF THE YEAR REIMBURSEMENT AND GRACE PERIOD

The timing of your expenses is very important and determines the plan year period from which your expense is reimbursable. For dependent care expenses to be reimbursable from a specific Plan Year's account, you must incur the expense within the defined Plan Year period or during the Grace Extension (if any) established by your Plan. **An expense is considered "incurred" when services are received, not when you pay for the services.**

Most, but not all, flexible benefit plans allow you up to 90 days after the end of the plan year to submit claim paper work for the prior year. Remember that your expense must have been incurred (i.e., services received) during the prior plan year in order to be eligible for reimbursement from the prior year's account.

Be sure to consult your summary of the plan to clarify the grace extension (if any), the period of time you have to file claims and to determine the beginning and ending dates for your plan year.

Please feel free to contact Admin America with any questions you may have regarding IRS regulations or how your plan operates.