

THE SAVINGS ARE SO BIG!



Save money on day care expenses and more with a Dependent Care Flexible Spending Account (FSA).

Day care can be a big expense. A dependent care flexible spending account (FSA) can help provide big savings. It lets you set aside money before taxes to pay for things like day care, summer day camp and other dependent care expenses.

Who's eligible?

To qualify for a dependent care FSA:

- › You and your spouse must work or attend school full-time
- › Your child must be under age 13 or a tax-eligible dependent who can't care for him or herself
- › You don't need to be enrolled in a health plan to participate in a dependent care FSA.

How it works

- › Choose how much you want to set aside each year (up to \$5,000 per year). That money is divided equally and taken out of each paycheck
- › Pay for your dependent care expenses using your regular funds
- › Submit a claim for your eligible dependent care expenses
- › Get the money back from your dependent care account

What exactly does "pretax" mean?

When you get a paycheck, you pay income tax and Social Security. When you put money into a dependent care FSA, it lowers the amount of money in your paycheck which means you'll pay less money in taxes. These savings are considered a "pretax advantage."

Is it right for me?

If you know you're going to have a certain amount of dependent care expenses next year, a dependent care FSA is right for you. Use last year's records as a guide. The IRS states you can contribute a maximum of \$5,000 per year. However, your employer may set a lower maximum contribution. You'll want to put aside as much money as you think you'll need for a year. But remember, the IRS states that you lose any money you don't use at the end of the year.

So plan carefully.



Together, all the way.™



Getting your money back

Once you pay for an eligible dependent care expense, it's easy to get your money back from your account. All you have to do is submit a claim.

The fastest way to submit a claim is online.

Here's how it works.

1. Visit **myCigna.com**
2. Go to forms center
3. Click on online reimbursement and follow the simple directions

To make things even quicker and more convenient, visit Manage my Profile on **myCigna.com**. There, you can easily opt for "direct deposit" and have your reimbursement directly deposited into your bank account. You can also set up your account for alerts and notifications. So Cigna will send you emails to keep you informed on your account and the status of your reimbursement requests.

Dependent care FSA in action

Allison and Michael will save **\$1,133** on taxes by contributing to a dependent care FSA for baby Sam's day care.

	With dependent care FSA	Without dependent care FSA
Allison and Michael's income:	\$55,000	\$55,000
Pretax dependent care expenses:	\$5,000	n/a
Taxable income:	\$50,000	\$55,000
Estimated federal income taxes:	\$7,501	\$8,251
FICA (Social Security and Medicare):	\$3,825	\$4,208
Post-tax dependent care expenses:	n/a	\$5,000
Net pay	\$38,674	\$37,541
Estimated tax savings: \$1,133		

See how big your savings can be.
Find out more information and check your account balance anytime on **myCigna.com**.

Double your savings

You can use a dependent care FSA and a traditional FSA to get even more savings on eligible child-related items, such as:

Dependent care FSA

- › Day care centers
- › Preschool
- › Au pair agency fees
- › Summer day camp
- › In-home day care

Health Care FSA

- › Lactation supplies/breast pumps
- › Safety items like helmets, baby gates and outlet covers
- › adhesive bandages
- › Skincare protection such as sunscreen and mosquito repellent

This is an example for illustrative purposes only. You can find a list of eligible FSA expenses at cigna.com/expenses. Tax savings are an estimate only and actual tax savings will depend on your tax bracket. Consider all relevant factors when determining your FSA contribution amount and speak to a licensed professional if you need tax advice.

