

CareFlex DCAP

Dependent care plans made easy.

Good for employees. Good for you.

Employees deduct work-related dependent care expenses pre-tax, up to \$5,000 annually. You'll save nearly \$80 in FICA taxes for every \$1,000 employees deduct. That means you'll save more than CareFlex costs. We do the work, including tracking payments and balances, annual compliance testing and Form 5500, if needed.

Customized Design and Personalized Setup

We'll work with you from plan design, through implementation and online enrollment. Our educational tools ensure better employee understanding and higher participation.

DirectPay Benefits CardSM Included

Employees use the card for direct payment of day care expenses. No more paying out-of-pocket and waiting for reimbursements.

24-Hour Online Account Access

If reimbursements are needed, employees file them online, anytime. We process reimbursements daily and direct deposit them right into each employee's bank account.

On Demand Reports - Automated Emails

You'll get plan management reports via email as often as you like. You can even tell us who gets which report. What's more—you'll have online access to your group information for on-demand analysis and ad hoc reporting.



THE SAVINGS ADD UP. LET'S DO THE MATH.

An employee making \$33,000 a year, who deducts \$5,000 annually into their CareFlex plan, will save about \$1,500 a year and you will save nearly \$400 in FICA taxes.

Employee Savings

	With CareFlex	Without
Taxable Income	\$33,000	\$33,000
Less Pre-Tax Care	-\$5,000	\$0
Taxable Income	\$28,000	\$33,000
Taxes Paid (30%)	\$8,400	\$9,900
Take Home	\$19,600	\$23,100
Less Post-Tax Care	\$0	\$500
Net Spendable Income	\$19,600	\$18,100

*An employee in CareFlex would have \$1,500 more to spend after dependent care expenses.

Employer Savings

Total Employee Contributions	\$100,000
Employer Savings Per \$1,000 (7.65% FICA)	\$76.50

With just 20 employees enrolling, you would save \$7,650 in annual taxes.

*Actual savings will vary depending on tax rate and geographic location.

Want more info?

WorkableSolutions.com/CareFlexFSA



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What you need to know:

How often can you provide an employee benefit with no net cost to you? CareFlex allows working parents to pay for their day care expenses with pre-tax dollars. Dependent care expenses are unavoidable for most parents. Why should they pay taxes on day care costs when CareFlex provides pre-tax savings of up to 40%?

Which dependents qualify?

- Dependent children who are under 13, a disabled spouse or dependent
- Elderly dependents if they live with the adult child and the adult child is responsible for their support

What expenses are covered?

- Day care
- Day camps (sports camp, science camp)
- Nursery school
- Before and after school care
- Eldercare

What expenses are not covered?

- Tutoring
- School tuition from kindergarten on up
- Expenses paid to non-qualified provider
- Overnight camps

How does the plan work?

Employees contribute up to the \$5,000 annual maximum. (\$2,500 from each parent if married, but file separate tax returns)

Contributions may not exceed the taxable compensation of the lowest paid working spouse.

Contributions are automatically deducted from employees' paychecks on a pre-tax basis. They may be used anytime after they are deducted and the day care services have been rendered. Funds not used during the plan year are forfeited by the employee.

The employee pays the provider using the Direct Pay Benefits CardSM or pays with personal funds and files a request for reimbursement online or by paper form.

Participation in CareFlex will reduce the amount available for the Dependent Care Tax Credit on an employee's income tax return. However, in most cases, CareFlex will provide greater savings than the tax credit.

Does my company qualify?

Virtually any company can sponsor a CareFlex plan.

Shareholders who own more than 2% of an S-corporation (and their family members and close relatives) may not participate. However, the company may still sponsor a CareFlex Plan for its other employees.

Members of an LLC, LLP and Sole Proprietors also are excluded as participants, but may sponsor CareFlex for their employees. Unlike an S-corporation, if the spouse is a bona fide employee, he or she may participate and use the benefit for dependents.

There are no owner restrictions with a C-corporation.

When can I start my plan?

Ideally, your CareFlex plan will renew each year along with your other group benefits. But there's no need to wait to get started. Your first plan year can be a short year, so it can begin whenever you are ready.

What are the plan regulations?

CareFlex must have a governing plan document. We'll create your customized plan documents as part of your group implementation.

Employees must make their elections before the plan year begins and can't change them or end them during the plan year unless the participant has a change of status.

The plan can't discriminate in favor of highly-compensated or key employees or those employees may lose the favorable tax treatment offered by the plan. We'll ask you for information once a year to run a series of tests to ensure your group is in compliance.