

May 29, 2019

Re: Dependent Care FSA

Request to add Dependent Care to our current FSA through TASC. (Board approval requested)

Benefits include but are not limited to the following:

- 1.) No additional cost to the district as we are currently offering the FSA with them, this is just an additional item offered with the FSA.
- 2.) It is a money in/money out account. What this means is that whatever money is put into the employee's account is all that they can use. (example: if an employee elects \$200 per pay and they are paid semi-monthly, this would give them \$400 per month to spend. So if they use the \$400 on Feb 1st, then they cannot use any more until they get another pay deduction put into that account) There is no deficit if the employee leaves and no penalty for them leaving for the district. No burden.
- 3.) This would be a pre-tax deduction for the employee. This could save them in upwards of \$1,200 per year if they put in the maximum contribution of \$5,000.00 per year.
- 4.) This would attract more employees to participate in the FSA plan since, at present, we only have 10 employees out of over 375.
- 5.) The payroll department has received many phone calls with regards to offering dependent care through the FSA for day care which is very costly for employees.
- 6.) This would attract more people to enroll in the FSA and would also be an added benefits perk for new hires.
- 7.) Whatever money is not spent out of the dependent care account by the employee goes back to the district, so it is a use it or lose it for the employee. Again, no burden to the district.

This plan could be added at open enrollment in October/November 2019 for the upcoming 2020 calendar year. The advantages definitely outweigh the disadvantages.