

Dependent Care Account Worksheet

Generally, expenses for day care are more predictable than health care expenses. To help you estimate your eligible dependent care expenses, look at the list below and fill in the expenses you will have. You can add the estimated costs and deposit any part of that amount in your Dependent Care Account. Remember, these must be expenses you incur so that you – or you and your spouse – can work or so that your spouse can attend school full time. Do not include health care expenses in this account.

	Estimated Cost
Qualified day care center (child or adult)	\$ _____
Nursery school	\$ _____
Before-school/after-school care	\$ _____
Summer day camp	\$ _____
Babysitter while you are at work	\$ _____
Housekeeper whose duties include day care	\$ _____
Other _____	\$ _____
_____	\$ _____

Do you want to SAVE MONEY?

By participating in your company's Section 125 plan, you could pay for your health insurance, medical expenses, and child care expenses with tax-free dollars!



Individual Premium Account Worksheet*

Look at the list below and fill in the expenses you think you will have. You can add the estimated costs and deposit any part of that amount into your individual premium account. Remember, these expenses must be for individual (not group) policies for you or your dependents.

	Estimated Cost
Individual health insurance	\$ _____
Individual dental insurance	\$ _____
Individual vision insurance	\$ _____
Individual disability insurance	\$ _____
Medicare Part B	\$ _____
COBRA premiums	\$ _____
Total:	\$ _____

*Available only to employers with 51 or more employees

Do you or your family have any of these expenses?



- ▶ Deductibles
- ▶ Co-payments
- ▶ Prescriptions
- ▶ Medical



- ▶ Eye exams
- ▶ Glasses/Contact lenses



- ▶ Dental check-ups
- ▶ Dental work
- ▶ Orthodontia



- ▶ Preschool
- ▶ Day care center
- ▶ After-school program



Administered by

Your company's Section 125 plan, administered by Assurity Life Insurance Company, is the answer.

By participating in your company's Section 125 plan, you could pay for your health insurance, medical expenses, and child care expenses with tax-free dollars.

The key point is that the amount you have the company place into the account is **not taxable to you**, whereas, if you were to pay those same expenses yourself, you would be taxed on every dollar.

For personal assistance, call **1-800-869-0355** and ask to speak to the Section 125 Plan Administrator for your state.

Pick up a copy of Flexible Benefits Plans Facts for Employees from your Human Resources Department.

Here's how it works: Sally is married, her spouse also works, and she has two children who require day care.

EXAMPLE – SALLY'S CURRENT PAYROLL

Sally's monthly gross salary is \$1,500.00
 She pays 15% of her income towards Federal Income Tax
 She pays 4% of her income towards State Income Tax
 She pays 7.65% of her income towards Social Security/Medicare

Monthly Gross Pay	\$1,500.00
Federal Tax	– 225.00
State Tax	– 60.00
Soc. Sec./Medicare	– 114.75
Adjusted Gross	\$1,100.25

Expenses Paid After Tax

Each month, Sally must pay her dependent care provider \$325.00

This year, Sally and her family will have their annual dental appointments. This will cost \$180.00

Sally's husband wears contacts. His yearly cost: 350.00
 Sally's son will need braces. The annual cost: 1,200.00

These expenses are not paid by her insurance, so Sally will pay them out of her own pocket.

Total out-of-pocket costs \$1,730.00
 Figured monthly (\$1,730.00 ÷ 12) 144.17
 Each month, Sally pays for an individual disability policy.*
 The monthly cost is \$16.67

Dependent Care Expenses – 325.00

Medical Expenses Figured Monthly:

Dental Appointments	15.00
(\$180.00 ÷ 12)	
Contacts (\$350.00 ÷ 12)	29.17
Braces (\$1,200.00 ÷ 12)	+ 100.00
Total Monthly Medical Exp.	– 144.17

Individual Premium Expense* – 16.67

Monthly Net Income \$ 614.41

*Available only to employers with 51 or more employees

EXAMPLE – SALLY'S PAYROLL IF SHE ENROLLS IN COMPANY'S SECTION 125 PLAN

Sally's monthly gross salary is \$1,500.00
 Sally has her employer take her dependent care expenses out of her paycheck and put into a special dependent care account for her. Sally knows she will have at least \$144.17 in monthly medical expenses that her insurance will not pay for. She asks her employer to put this money into another special medical care account just for medical expenses.

Sally has her employer withhold \$16.67 from her paycheck and put it in an Individual Premium Reimbursement Account* for her. Since Sally's monthly gross income is now \$1,014.16, she cannot be taxed on the full monthly gross income of \$1,500.00
 She pays 15% of her income towards Federal Income Tax
 She pays 4% of her income towards State Income Tax
 She pays 7.65% of her income towards Social Security/Medicare

Monthly Gross Pay \$1,500.00

Dependent Care Expenses – 325.00

Medical Expenses – 144.17

Individual Premium Expenses* – 16.67
Adjusted Gross \$1,014.16

Federal Tax – 152.13

State Tax – 40.57

Soc. Sec./Medicare – 77.59

New Monthly Net Income \$ 743.87

*Available only to employers with 51 or more employees

By putting her money into the special accounts provided by her employer, Sally reduced the amount of taxes she must pay and increased her monthly net income by \$129.46 (\$743.87 – \$614.41). This translates into a yearly savings of \$1,553.52!

Worksheets are provided below and on the back panel so you may calculate your own medical, dependent care, and individual premium expenses.*

Health Care Account Worksheet

To help you estimate your eligible health care expenses, look at the list below and fill in the expenses you think you will have. You can add the estimated costs and deposit any part of that amount into your Health Care Account. *Keep in mind that if you are in an HMO, some of the items below may not apply to you.*

	Estimated Cost
Medical deductibles	\$ _____
Dental deductibles	\$ _____
Medical co-payments	\$ _____
Dental co-payments	\$ _____
Annual physical exam	\$ _____
Eyeglasses, contact lenses and insurance	\$ _____
Orthodontic expenses above the maximum paid by your plan	\$ _____
Other _____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total _____	\$ _____

Dependent Care Account and Individual Premium Account* Worksheets on next panel



*Available only to employers with 51 or more employees