

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

The Dependent Care Flexible Spending Account may be used to pay dependent care expenses that are necessary for you and your spouse to work.

Eligibility

Employee

Faculty and staff are eligible to participate in the Dependent Care Flexible Spending Account if they are employed in a "Regular" position with an FTE of .5 or greater or in a "Temporary" position for more than six months with an FTE of .5 or greater.

Dependents

Dependents eligible for reimbursement of Dependent Care Flexible Spending Account claims as defined by the University of Nebraska include the following:

- Dependent child under the age of 13 for whom the employee is entitled to claim a dependency exemption on their federal income tax return (if employee is a divorced parent, then a child is their dependent if they have custody of the child, even if they are not entitled to claim a dependency exemption).
- The employee's spouse or dependent child age 13 or older who is their dependent under federal tax law (even if the employee cannot claim the dependency exemption on their federal income tax return), but only if the dependent is physically or mentally incapable of self-care.

In addition, the University of Nebraska defines a dependent child as the following:

- Natural-born or legally adopted child
- Stepchild who is living in the employee's home and is chiefly dependent on the employee for financial support (must be claimed as an IRS dependent)
- Child for whom the employee has legal guardianship
- Mentally or physically handicapped child may continue coverage beyond age 13 if proof of disability is provided within 31 days of attaining age 13

In addition to the dependent eligibility requirements noted in the Dependent's eligibility section, employees must certify that a dependent satisfies **all of the following** for participation in the Dependent Care Flexible Spending Account.

- Employee provided over half of the dependent's total financial support for the calendar year
- Dependent resided with the employee for more than half of the calendar year
- Spouse and/or dependent child physically or mentally incapable of self-care whose gross income is less than the dependency exemption amount under Section 151(d) of the Internal Revenue Code
- Dependent is a U.S. citizen or resident, or a resident of Canada or Mexico for some part of the calendar year in which the employee's tax year began
- Employee's relationship with the dependent does not violate local law

Employee Plus One

University benefits eligibility is extended to an Adult Designee of the same or opposite gender who meets all the following criteria:

- Has resided in the same residence as the employee for at least the past consecutive 12 months and intends to remain so indefinitely;
- Is at least 19 years old;
- Is directly dependent upon, or interdependent with, the employee, sharing a common financial obligation that can be documented in a manner prescribed by the university; and
- Is not currently married to or legally separated from another individual under either statutory or common law.

Additional Employee Plus One information may be found at the [Employee Plus One](#) benefits module.

An employee may receive reimbursement for dependent care expenses for a qualifying Adult Designee from the Dependent Care Flexible Spending Account **only under limited circumstances**. An Adult Designee must meet all of the following requirements:

- Shares the same principal place of abode as the employee for the entire calendar year in question. This means that the Adult Designee may be temporarily absent but must reside in the same place as the employee at all other times.
- Is a member of the employee's household for the entire calendar year in question.
- Receives over half of his or her financial support from the employee. Support includes food, shelter, clothing, medical and dental care, education and other similar items. All sources of support are considered, including the Adult Designee's own funds.
- Is **not** a qualifying child of any other person.
- Is a U.S. citizen or national, or a resident of the U.S., Canada or Mexico.
- Is physically and mentally incapable of caring for himself or herself.

An Adult Designee's dependent child(ren) is not eligible to receive reimbursement from the Dependent Care Flexible Spending Account.

Initial Enrollment

Employees must enroll for coverage within 31 days of the date of hire or benefits eligibility date (date the employee satisfies the criteria to be benefits-eligible). The 31 day period is not based on the employee's effective date of coverage.

Enrollment after the initial 31-day period is limited to the annual NUFlex enrollment or when a Permitted Election Change Event occurs.

Effective Date of Participation

Participation is effective on the first day of the month following the employee's date of hire or eligibility. Participation for employees hired on the first day of the month will be effective on the first day of the month. Participation for employees hired on the first working day of the month will be effective on the actual date of hire (if first working day is Jan. 5, coverage will be effective Jan. 5).

Change in Status Guidelines

Employees may enroll, cancel or change their Dependent Care Flexible Spending Account contribution during the calendar year when a Permitted Election Change Event occurs.

Employees must enroll or make a change in contribution within 31 days of the Permitted Election Change Event.

Listed below are several Permitted Election Change Events that may allow an employee to initiate a midyear Dependent Care Flexible Spending Account change.

- Change in legal marital status
- Change in number of dependent children
- Change in employment status or work schedule that results in a gain or loss of coverage eligibility
- Change in coverage under spouse's employer's benefits plan, if substantial

Effective January 1, 2021, employees may prospectively (1) make a new election, or (2) revoke, decrease, or increase an existing election for the 2021 Plan Years. Any election change made pursuant to this paragraph shall be limited so that the new amount elected is not less than the total amount of reimbursements submitted to the Dependent Care Flexible Spending Account Plan for the 2021 Plan Year by the employee as of the date immediately preceding the employee's election change request.

Coverage Effective Date as a Result of a Permitted Election Change Event

Coverage changes due to a Permitted Election Change Event will be effective on the first day of the month following the date of the change. However, changes that occur on the first day of the month will be effective immediately. The employee must provide appropriate documentation to verify the Permitted Election Change Event. Only those expenses incurred after the effective date of the change will be covered or reimbursable.

Birth of a Dependent Child

Coverage changes due to a birth of a child will be effective on the first day of the month following the dependent's date of birth. The applicable premium will begin on the first day of the month following the date of birth. The employee must provide appropriate documentation to verify the Permitted Election Change Event.

Adoption or Legal Guardianship

Coverage changes due to a dependent child who is added as a result of adoption or legal guardianship will coincide with the earlier of: 1) the date of placement for adoption, or 2) the date of entry of an order granting legal guardianship or custody of the child. Placement generally means when the adoptive parents have taken legal responsibility for the child. Premiums will begin on the first day of the month following the event. The employee must provide appropriate documentation to verify the Permitted Election Change Event.

Marriage

Coverage changes due to marriage will be effective on the first day of the month following the date of marriage. Changes in coverage for a marriage occurring on the first day of the month will be effective immediately. The employee must provide appropriate documentation to verify the Permitted Election Change Event.

Divorce or Legal Separation

Coverage changes due to a Nebraska divorce will be effective the first day of the month following the date the divorce decree is entered. Coverage changes due to a Nebraska legal separation will be effective the first day of the month following the date of the court order or separation agreement.

Coverage changes due to an Iowa divorce will be effective the first day of the month following the date the divorce decree is final. Coverage changes due to an Iowa legal separation will be effective the first day of the month following the date of the court order or separation agreement.

The employee must provide appropriate documentation to verify the Permitted Election Change Event.

Termination of Coverage

Participation terminates on the last day of the month following the date of termination or date the employee is no longer eligible for coverage. If the date of termination or employee's coverage ineligibility is the last day of the month, coverage will terminate immediately.

Leave of Absence

Dependent Care Flexible Spending Account participation may be continued while the employee is on an approved leave of absence through the end of the calendar year.

Active Military Duty Leave of Absence

An employee who commences a leave of absence for active duty in the military may cancel Dependent Care Flexible Spending Account participation during the leave. Upon return from active duty, the employee may re-enroll for coverage. The employee must provide appropriate documentation to support the date military service ended.

Annual NUFlex Enrollment

Participation in the Dependent Care Flexible Spending Account does not automatically renew each year. Employees may enroll in the Dependent Care Flexible Spending Account during the annual NUFlex enrollment.

Benefits Summary

The Dependent Care Flexible Spending Account can be used to pay eligible work-related dependent care (day care) expenses. Employees determine how much they want to set aside for dependent care expenses during the year. These expenses must be employment-related, and are the amounts spent in order for the employee and their spouse, if married, to be employed outside of the home. Contributions to the Dependent Care Flexible Spending Account are withheld from the employee's salary on a pre-tax basis. As dependent care expenses are incurred, reimbursement from the Dependent Care Account is made by filing claims.

Contributions

Employees may contribute \$1 to \$7,500 annually to the Dependent Care Flexible Spending Account. If both spouses' are employed, the contribution total for both employees cannot exceed \$7,500.

Contributions are withheld on a pre-tax basis and are exempt from both state and federal income taxes and Social Security.

Participating employees are required to make contributions through Dec. 31 of each year, unless a Permitted Election Change Event occurs. In that case, employees must enroll or make a change in contribution within 31 days of the Permitted Election Change Event.

Claim Guidelines/Filing Claims for Reimbursement

Only expenses for services received during the calendar year and after the effective date of coverage may be reimbursed, provided such services were incurred in a benefits-eligible status. Expenses are "incurred when the participant is provided with the dependent care that gives rise to the dependent expenses, and not when the participant is formally billed or charged for, or pays for the dependent care."

Contributions not used by the end of the calendar year will be forfeited.

Employees who participate in both the Health Care and Dependent Care Accounts may not use money from one account to cover expenses in the other account.

In general, an employee and their spouse may not participate in the Dependent Care Flexible Spending Account unless both are working.

Employees may file health care claims at any time during the year with WageWorks by mail, fax, online, or EZ mobile application. Flexible Spending Account Claim Forms may be downloaded from this webpage or the WageWorks website.

WageWorks provides several different methods to receive your Health Care Flexible Spending Account reimbursement. They include "Pay Me Back" and "Pay My Provider". Complete details can be found on the WageWorks website.

All dependent care expenses must be submitted for reimbursement by Mar. 31, following the year in which the expense was incurred. After Mar. 31, any remaining unreimbursed amounts will be forfeited.

Qualifying Dependent Care Expenses

The following are examples of qualifying dependent care expenses that may be reimbursed through the Dependent Care Flexible Spending Account.

- Each dependent for whom the employee incurs an expense must be a Qualifying Individual—that is, the dependent must be:
 - a dependent child under the age of 13 for whom the employee is entitled to claim a dependency exemption on their federal income tax return (if employee is a divorced parent, then a child is their dependent if they have custody of the child, even if they are not entitled to claim a dependency exemption);
 - the employee's spouse or dependent child age 13 or older who is their dependent under federal tax law (even if the employee cannot claim the dependency exemption on their federal income tax return), but only if the dependent is physically or mentally incapable of self-care.
- No reimbursement will be made to the extent that the amount of such reimbursement is larger than the balance remaining in the employee's Dependent Care Flexible Spending Account. In addition, no reimbursement will be made to the extent that the amount of such reimbursement, when combined with the total amount of reimbursements made for the Plan Year, would exceed the applicable statutory limit. The applicable statutory limit is the smallest of the following amounts:
 - the employee's earned income for the calendar year;
 - the earned income of the employee's spouse for the calendar year (spouse will be deemed to have earned income of \$250 (\$500 for two or more Qualifying Individuals) for each month in which spouse is (a) physically or mentally incapable of self-care; or (b) a full-time student); or
 - either \$7,500 or \$3,750 for the calendar year, depending on the employee's marital and tax filing status.
- Expenses are incurred for services rendered after the date of the employee's election to receive Dependent Care Flexible Spending Account benefits and during the Plan Year to which the election applies.
- Expenses are incurred in order to enable the employee (and their spouse, if married) to be gainfully employed, which generally means working or looking for work. There is an exception: If spouse is not working or looking for work when the expenses are incurred, then spouse must be a full-time student or be physically or mentally incapable of self-care.
- Employee (or employee and spouse together) are providing at least 50 percent of the cost of maintaining household, and the expenses are incurred when at least one member of the household is a Qualifying Individual.
- The expenses are incurred for the care of a Qualifying Individual or for household services attributable in part to the care of a Qualifying Individual.
- If the expenses are incurred for services outside the employee's household, they are incurred for the care of (1) a person under age 13 who is the employee's dependent under federal tax law; or (2) the employee's spouse or a person who is their dependent under federal tax law who is physically or mentally incapable of self-care and who regularly spends at least eight hours per day in the employee's household.
- If the expenses are incurred for services provided by a dependent care center (a facility that provides care for more than six individuals not residing at the facility), then the center complies with all applicable state and local laws and regulations.

- The person who provided care was not the employee's spouse or a person for whom the employee is entitled to a personal exemption under Code Section 151(c). If the employee's child provided the care, then he or she must be age 19 or older at the end of the year in which the expenses are incurred.
- The expenses are not paid for services outside of the employee's household at a camp where the dependent stays overnight.
- The total amount of reimbursement for the plan year cannot exceed the income of the lower-paid spouse.
- Expenses reimbursed under this plan cannot be claimed as a tax credit on the employee's tax return.

Employees should verify qualifying expenses which can be reimbursed through the Dependent Care Flexible Spending Account on the Inspira Financial FSA website.

Flexible Spending Account payments offset the tax credit amount dollar-for-dollar. As a result, most employees cannot use both the tax credit and Flexible Spending Account.

Participation in the Dependent Care Flexible Spending Account may affect the employee's eligibility for the earned income tax credit.

Inspira Financial Customer Service and Contact Information

Participants may call Inspira Financial for account information and questions at (844) 729-3539.

Customer Service representatives are available Monday through Friday, 7 am to 7 pm CST.

Website – <https://mybenefits.inspirafinancial.com>

Note: In 2026 the University of Nebraska transitioned flexible spending account administration to Inspira Financial.