

# DEPENDENT CARE TAXSAVER PROGRAM

Available to employees WHO

- Are currently using a qualified day care provider for your children or elderly parents
- Are paying tuition to a nursery school, pre-school or Montessori school
- Pay for before and/or after-school care for children under the age of 12
- Are not temporary employees
- ARE NOT PARTICIPATING IN THE EARNED INCOME CREDIT TAX PROGRAM.

Employees can use up to \$5000 TAX FREE per YEAR to pay for qualified dependent care!!

**This can save up to \$1,200 per year per participant!**

To participate in this tax-savings benefit, you MUST enroll by the date specified by your employer \*\*

For additional information or enrollment materials, please contact

BBPadmin at 630-773-2337

Initial request to enroll attached.

**\*\* If you participated in this plan before, and wish to continue, you must RE-ENROLL for this plan year!**

**\*\* If you sign up for this program, you MUST remain in the program for the entire year subject to certain change of status events that allow you to change or drop the program.**

*Let's compare these two examples:*

JOHN		JANE	
John earns \$22,000 per year, and is paid 2 times per month (24 paychecks/year)		Jane earns \$22,000 per year and is paid 2 times per month (24 paychecks/year)	
John pays \$4999.92 annually in childcare expenses, \$208.33 per paycheck		Jane pays \$4999.92 annually in childcare expenses, \$208.33 per paycheck	
<b>JOHN participates in the Dependent Care program, pays with PRE-TAX dollars.</b>		<b>Jane pays for dependent care with AFTER tax dollars</b>	
<b>TODAY'S PAYCHECK</b>		<b>TODAY'S PAYCHECK</b>	
Gross pay	\$916.67	Gross pay	\$916.67
Dependent care BEFORE taxes paid	(\$208.33)		
<b>Taxes are paid on income of</b>	<b>\$708.34</b>	<b>Taxes are paid on income of</b>	<b>\$916.67</b>
TAXES PAID by John on \$708.34		TAXES PAID by Jane on \$916.67	
Federal taxes	\$90.00	Federal taxes	\$121.00
FICA	\$43.92	FICA	\$56.83
Medicare	\$10.27	Medicare	\$13.29
State	\$21.25	State	\$27.50
<b>TOTAL PAID TAXES</b>	<b>(\$165.44)</b>	<b>TOTAL PAID TAXES</b>	<b>(\$218.62)</b>
<b>NET INCOME</b>	<b>\$542.90</b>	<b>NET INCOME</b>	<b>\$698.05</b>
Child care expenses paid with \$\$ above		Child care expenses to be paid (\$208.33)	
<b>John's disposable income: \$542.90</b>		<b>Jane's disposable income: \$489.72</b>	

John has 10.8% more disposable income every payday.

**John's annual taxable income as listed on his W-2: \$17,000.16**

**Jane's annual taxable income as listed on her W-2: \$22,000.08**