

EMPLOYEES
SAVE up to
\$2,000
with Core DCAP

Why every employer should have a Section 129 DCAP plan

Section 129 of the Code allows employers with at least 1 full-time employee to establish a special tax-free savings accounts called a Dependent Care Assistance Plan (DCAP).

The DCAP is a Flexible Spending Account (FSA) that employees use to set aside funds for dependent care expenses. It is funded by either the employee or employer on a pre-tax basis.

The Core DCAP package provides employers with everything they need to establish a Section 129 DCAP plan for just \$149. This cost reflects a one-time setup fee, not an annual charge.

Tax Savings for Everyone

Pre-tax treatment of the funds means the employee pays no federal income or payroll tax on DCAP contributions and, in most cases, no state income tax. This is at least a 7.65% FICA tax savings for the employee over their taking the federal Child and Dependent Care Tax Credit at tax time.

Employee contributions to a DCAP FSA are deducted before taxable income is calculated and not counted as taxable income in any way. This means the employer gets equal payroll (FICA) tax savings on DCAP funds.

296% ROI for Each Participant

For every employee making the maximum contribution to a DCAP FSA, the employer realizes \$382.50 in FICA tax savings. That's almost three times the \$149 cost of the basic Core DCAP document package to help set up the plan for you -- a 296% return on investment for just one employee that multiplies for each participant in your plan.

And that's why every employer should have a DCAP FSA in their employee benefit plan.

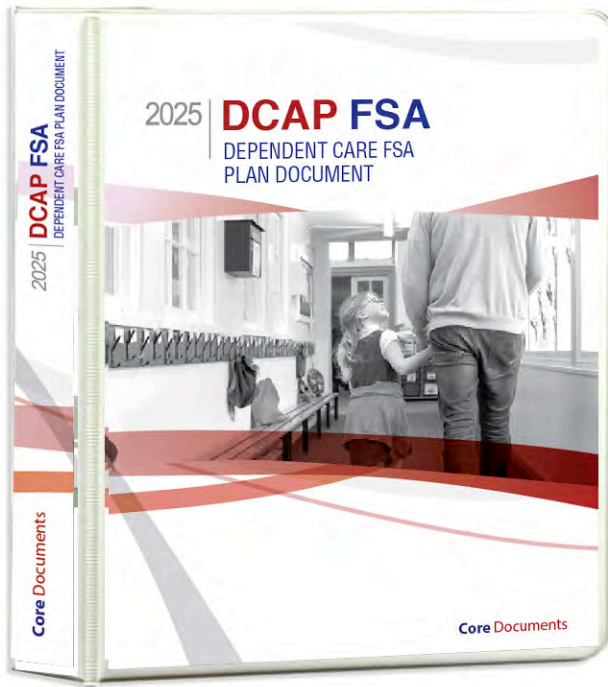
Here's how the Section 129 DCAP FSA plan works:

1. Prior to the beginning of each plan year, an employee estimates how much they will spend in out-of-pocket dependent care expenses during the course of their plan year.
2. This amount is then deducted from the employee's pay check over the course of the plan year (prior to being taxed) and deposited into the employee's DCAP FSA.
3. Your employees pay their qualifying out-of-pocket child and dependent care expenses upfront.
4. Then, the employee submits a claim with documentation to the plan administrator.
5. A reimbursement is made from the employee's DCAP FSA with tax-free dollars, sent to them in the form of a check.

Visit us online today

Order your Core DCAP plan document package today at www.coredcap.com.

To see all of our products and services, visit us at www.coredocuments.com.



Dependent Care Assistance Plan FSA FAQs

What is the maximum annual benefit amount in a DCAP FSA?

The Section 129 DCAP FSA annual contribution limit is \$5,000 except for those whose filing status is, "married filing separately," for whom the limit is \$2,500.

Who is a qualifying dependent for a Dependent Care Assistant FSA?

A qualifying dependent is a dependent or spouse of the enrolled employee who is:

- Under age 13, or
- Mentally or physically incapable of self-care and who the employee claims as a dependent on his or her federal income tax return.

Can a Dependent Care Assistance FSA Plan pay for a babysitter in the employee's home rather than using a daycare facility?

Yes.

Is day camp during the summer qualified childcare?

Yes, if attendance at the camp allows the employee and spouse to work, look for work, or a spouse to attend school full-time.

Does private school tuition qualify?

No. School tuition is not childcare, but before/after school care is a qualified expense.

Does the employee have to submit an identical claim amount every week or can they set up an automatic reimbursement?

Employees must submit a claim every time they wish to request reimbursement of an expense. There is no automated process.

Can employees be reimbursed for dependent daycare expenses once they have paid for them?

Eligible Dependent Care expenses are reimbursable when they are actually incurred. Expenses are treated as incurred when the employee has been provided with the service, not when they are billed or pay for the service. Also, employees may only be reimbursed up to the amount in their account at that time.

Is a Tax Identification Number (TIN) is required on the claim form?

Yes, it is. If the employee's babysitter does not have a TIN, their nine-digit Social Security Number will be used on the claim form.

How do Dependent Care Assistance Plan FSA compare to the Child and Dependent Care Tax Credit?

Since a pre-tax DCAP FSA is exempt from FICA tax, it may offer the employee the best savings. However, if the employee has two or more dependents, the tax credit might be more (\$6,000 for two or more dependents in day care). It may be best for the employee to consult a tax professional if unsure what will work best in their specific situation.

Set up a Core DCAP in 3 easy steps

Design your plan:

- Choose your plan year according to the calendar (Jan-Dec) or your tax year (Jul-Jun, for example) -- a short plan year is available for the first year.
- Determine the rules and limits for your plan -- our order form takes you through it step-by-step.

Order your plan:

- Place your order for the Core DCAP plan document package.
- Your personalized plan document package arrives at your inbox, usually* the same day.

Start your plan:

- Print, review, and sign the plan document where indicated;
- Give a copy of the participant packet to each eligible employee; and then,
- Keep the Core DCAP plan document on file with other personnel paperwork -- there is no requirement to file the plan document with any agency.

*Most complete document orders placed by 3 PM will be emailed out the same day Monday through Friday. Orders placed on weekends are emailed out Monday morning.

Ordering Information Worksheet

This form is provided for your convenience while gathering information for the Core DCAP document package. It is a fillable PDF form. Click on the line next to "First Name" to begin and then tab from field to field. You may also print a blank form and write in the information. [When the form is complete, go to www.coredcap.com to order your package online.](http://www.coredcap.com)

Purchaser Information (Person buying document for Employer listed below, i.e. Agent, CPA, payroll co., etc.; "N/A" in "First Name" if not applicable.)

First Name _____ Last Name _____
Company _____
Address _____
City _____ State _____ Zip Code _____
Phone _____ Fax _____
Email _____
Ship Document to: ☐ Purchaser ☐ Employer

Employer Information for Plan Documents – Exactly as it should appear in the plan document. Print clearly.

First Name _____ Last Name _____ (owner/controller, document signer)

Company Name _____
Address _____
City _____ State _____ Zip Code _____
Phone _____ Fax _____
Email _____

Form of Business: ☐ S Corporation ☐ C Corporation ☐ LLC ☐ Partnership ☐ Sole Proprietorship
☐ Government ☐ Non-Profit 501(c)(3)

Employer Federal ID#: _____ **State of Inc.:** _____ **Number of Employees:** _____

Legal Name(s) of **Affiliated Company(ies)** that will be covered by the Plan (if any):

1) _____
2) _____
3) _____

Name of Plan Administrator: (Employer unless otherwise listed)

Name _____
Address _____
City _____ State _____ Zip Code _____
Phone _____ Fax _____

DCAP FSA Annual Plan Limit: The IRS limits DCAP FSA plans to \$5,000 in employee contributions. Choose the standard \$5,000 option or designate a lower employee contribution limit here. ☐ \$5,000 **OR** ☐ Other _____

Effective Date will be:

- ☐ a) a new plan effective date as of (date) _____
☐ b) Amend and restate an existing Health FSA plan as of (new date for this updated plan): _____
If this is an amended and restated plan, state the (old) original effective date: _____

Plan Year - The first plan year will be:

- ☐ a) a 12 consecutive month period beginning (date) _____ and ending (date) _____
☐ b) a short plan year beginning (date) _____ and ending (date) _____

Waiting Period: Employees can participate the ☐ 1st day of employment, or ☐ 1st day following, or ☐ 1st day of month following _____ days of employment.

Eligibility Requirements: All employees who work _____ or more hours per week.

Please tell us how you found Core Documents: ☐ Search Engine ☐ Agent ☐ Google Ad ☐ Other _____

Employer: _____

Choose either the Core DCAP FSA 'Deluxe Binder Option' or the 'Basic PDF Option':



- ☐ **Deluxe Binder – New Core DCAP FSA Plan Document** **\$199.00** ☐
In email PDF version processed ASAP, AND Printed in 3-ring binder, with 5 Section tabbed index, shipped via Priority Mail.

OR



- ☐ **Basic PDF Option - New Core DCAP FSA Plan Document** **\$149.00** ☐
PDF Document Processed Quickly and Sent Via E-Mail

Options that can be added to the DCAP FSA Deluxe Binder or the Basic PDF Option:

- ☐ **Plan Document USB Drive - in addition to PDF email and/or mailed binder** **\$25.00** ☐
Documents provided in PDF format only. Forms in MS Word format. Always have a safe backup copy of your plan document on a USB drive.
- ☐ **Rush Order - Your order automatically queued for immediate processing** **\$25.00** ☐
- ☐ **2nd Year Update - discounted 25% when added to new document order** **\$100.00** ☐
This option entitles you to one plan document amendment in the first 24 months. Save 22% off the normal \$129.00 update price.
- ☐ **Premium Only Plan – pre-tax insurance premium - Save 33%** **\$100.00** ☐
Eliminate income tax on group premium. Employee saves up to 35% average, and the Employer saves matching FICA at 7.65%+. This benefit pays dividends.
Name of Benefit Programs To Be Offered:
☐ Health Insurance ☐ Dental Insurance ☐ Vision Care ☐ Group Term Life to \$50,000
☐ Accident Insurance ☐ Cancer Insurance ☐ Other _____
- ☐ **HSA Module - pretax HSA savings for additional 7.65% tax savings** **\$30.00** ☐
Allows employees to pre-tax Health Savings Account dollars for an additional 7.65% FICA savings (Employer saves matching 7.65% FICA) not available if itemized at year end.
- ☐ **Health FSA to pretax medical expenses - Save 33%** **\$100.00** ☐
Save 33% off normal \$149 Health FSA price when added to the DCAP FSA. Health FSA employee contributions set at \$3,300 by the IRS. Choose \$3,300 or Other amount \$ _____.
Delivered via email in PDF format unless the binder option is chosen above.

Update and Amend a plan document originally produced by Core Documents:

- ☐ **Update/Amend a Premium Only Plan Document** **\$129.00** ☐
- ☐ **Update/Amend a Health FSA Plan Document** **\$129.00** ☐
- ☐ **Update/Amend a Dependent Care FSA Plan Document** **\$129.00** ☐
- ☐ **Update/Amend any 2 plan combination Document** **\$259.00** ☐
- ☐ **Update/Amend a full 3 plan Cafeteria Document** **\$299.00** ☐

All Updated/Amended documents delivered via email in PDF format.

TOTAL **\$ TOTAL**



Invoice me via email, please complete the following:

Company Name: _____ Contact: _____

Email Address for Invoice: _____

If paying by check, please complete the following:

Your order can be processed with the following checking account information and authorization.

Name as it appears on the check:

Bank Name: _____

Bank Routing Number: _____

Bank Account Number: _____

Total amount to be charged: \$ _____

X _____
Signature

Date: _____

Sample Check



The routing and account numbers may be in different places on your check.



If paying by credit card, please complete the following:

Card Number: _____

Expiration Date: ____ / ____

Total amount to be charged: \$ _____

Name as it appears on card: _____

X _____
Signature

Date: _____

Refund Policy: Purchaser understands that goods and services provided by Core Documents, Inc. are non-refundable. Orders cancelled prior to sending/shipping are subject to cancellation fees applied to the cost of goods and services provided during the review, draft, and preparation of your order.

Please sign and fax completed form to (941)795-4802. Attach additional pages of plan design information if needed.

Mail: Core Documents, Inc. P.O. Box 14538, Bradenton, FL 34280

Scan and Email: CoreService@CoreDocuments.com

Toll Free Voice: 888-755-3373 Fax: 941-795-4802