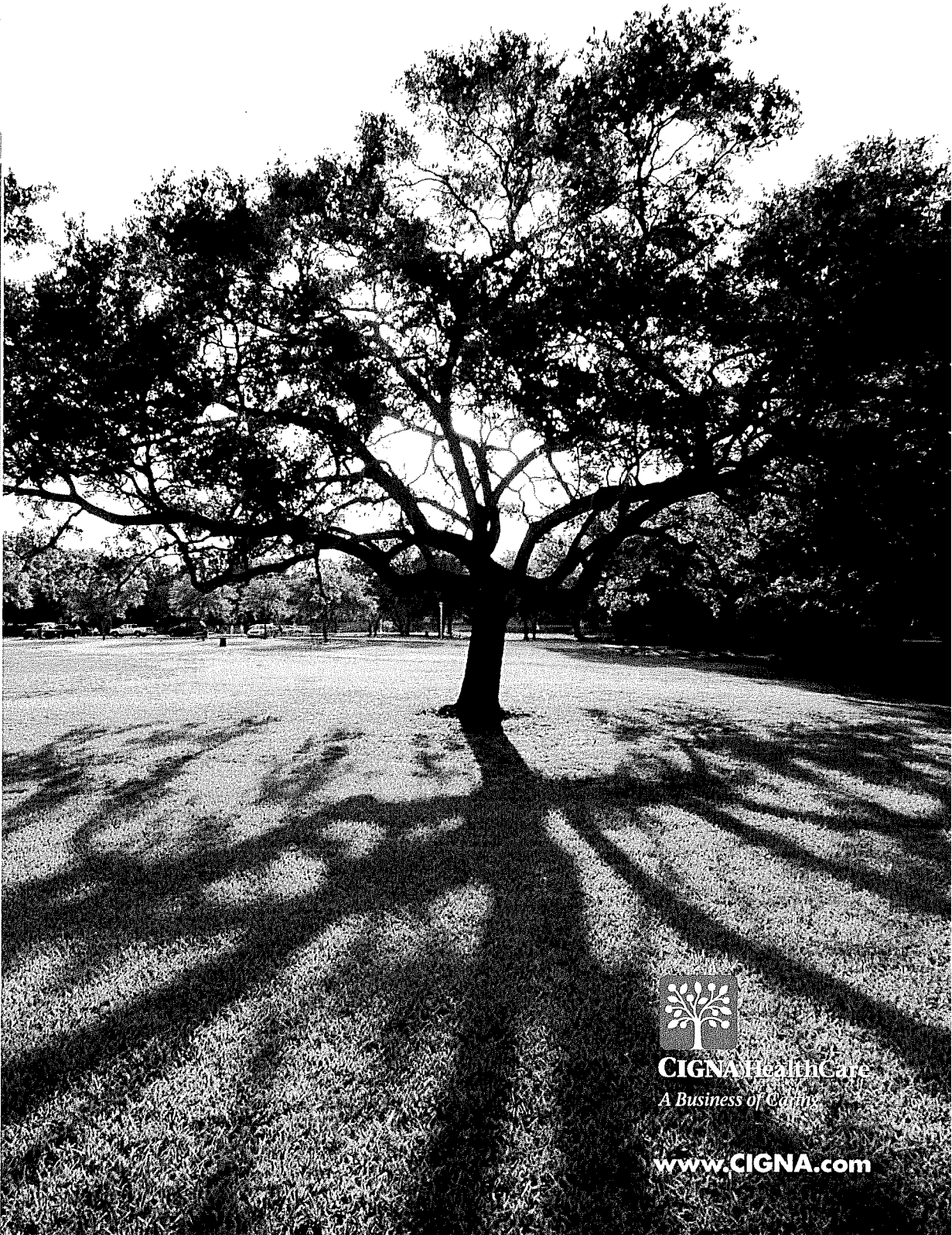
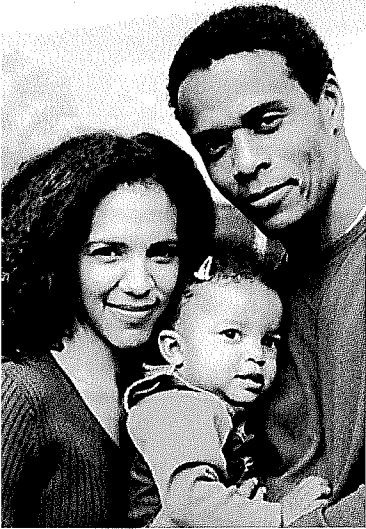


CIGNA HealthCare  
Dependent Day Care  
Flexible Spending Accounts



CIGNA HealthCare  
*A Business of Care*

[www.CIGNA.com](http://www.CIGNA.com)

# CIGNA HealthCare Dependent Day Care Flexible Spending Account

*A helpful tool for managing dependent day care costs. Set aside pre-tax dollars, then use them to reimburse yourself for eligible nonmedical day care expenses for children under age 13 or disabled dependents of any age who are unable to care for themselves.*

If you're looking for a way to manage dependent day care expenses, turn to your CIGNA HealthCare Dependent Day Care Flexible Spending Account (FSA). As long as the provider is not your spouse, another dependent or your child under age 19, you can use the FSA to receive reimbursement for eligible dependent day care expenses.

You do not have to participate in your employer's (or any other) health benefits plan to be eligible to participate in the FSA.

## **Tax advantages**

If you can reliably forecast your dependent day care expenses for the coming year, an FSA can be an excellent way for you to budget costs while cutting your taxes.

You contribute to your FSA through pre-tax payroll deductions. That means the money is deposited to your account before deductions for income tax, Social Security or (in most cases) state withholding taxes.

Dollars set aside in your account are worth more because they're tax-free – you pay no taxes when you contribute or make withdrawals. It's an easy, convenient and smart way to save.

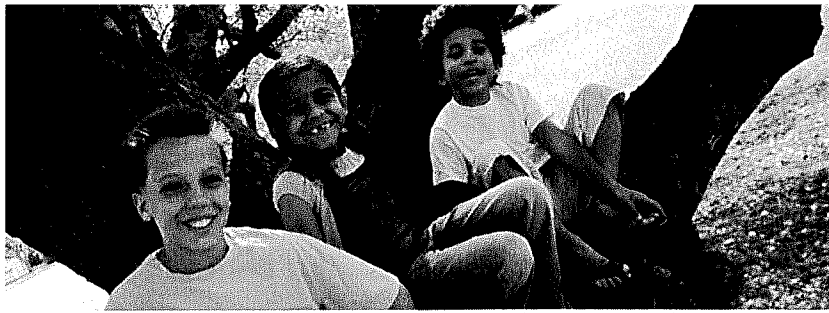
Your actual tax savings depend on your specific situation. Your financial advisor can help you determine the advantages of using the FSA.

## **Getting Started**

Determine if your dependent care expenses qualify for reimbursement through an FSA. To qualify:

- You (and your spouse if you are married) must have earned income, unless one spouse is either a full-time student or is physically or mentally incapable of self-care.
- The dependent care must enable you to be employed or look for work. If you are married and your spouse is physically and mentally capable of self care, the dependent care must also enable your spouse to work, look for work or attend school full time.
- The amount to be reimbursed must not exceed your earned income or that of your spouse (whichever is lower) for the plan year.
- You (and your spouse, if you are married) must have paid over half of the expenses of a household that was your main home and the main home of a qualifying individual.
- The payments for care cannot be paid to someone you can claim as your dependent, or to your child who is under age 19 even if he or she is not your dependent.
- If you use a day care center that cares for more than six children, the center must be licensed.





- Estimate what you'll need for out-of-pocket dependent day care expenses for the coming year. Use last year's records for guidance or ask your financial advisor to help you make a precise forecast. According to the IRS, the maximum you can contribute to a Dependent Day Care Flexible Spending Account is \$5,000; your employer has the option of setting a lower maximum contribution.
- Contribute only as much as you think you'll need (subject to plan limits set by your employer).  
**Remember, you lose what you don't use.** The IRS requires that you forfeit any unused account balances at the end of the year. You cannot withdraw the unused balance, and you cannot carry unused funds over to the following year.
- The total amount of your contribution remains in effect for the entire year. You can adjust your contribution only with a life status change, such as the addition or loss of a dependent or a change in marital status. However, you can set aside a different amount each year.
- Divide this amount by the number of paychecks you receive yearly. This is the amount your employer will deduct from each paycheck for deposit in your pre-tax, non-interest-bearing FSA.

## Receiving Reimbursements

According to IRS rules, you're entitled to reimbursement of eligible expenses after services are provided (rather than when they are invoiced or when you pay for them). For instance, if your child's day care provider bills you at the start of each month, you are entitled to receive reimbursement after you've received all day care services for that month.

**Submitting your claim.** When you're eligible for reimbursement, submit a completed and signed Reimbursement Request Form (available online on [myCIGNA.com](http://myCIGNA.com)) along with documentation to verify expenses.

**Acceptable documentation includes:** itemized bills or receipts; cancelled checks; or signed statements that include the provider's name, dependents cared for, the amount charged, and the dates of service.

**Please do not submit:** bankcard statements; illegible documents; estimates of charges; or balance forwards and/or balance statements. These cannot be processed for reimbursement.

Please tape receipts in the center of a plain piece of paper, and use only one receipt per page. Mail the form and documentation to the address on your Reimbursement Request Form. You'll receive a reimbursement check during the next payment period, as determined by your employer.

You may submit your requests in any amount and throughout the plan year.



Visit [myCIGNA.com](http://myCIGNA.com) for instant, up-to-date balance information and claim status, reimbursement forms, and answers to general questions.

## Important Considerations

- If your eligible expenses are ongoing, you may be filing claims regularly for the same amounts. The IRS requires that you submit a completed Reimbursement Request Form and paid receipts for every claim.
- If your account doesn't have adequate funds to cover your claim, you don't have to resubmit the claim. For dependent day care reimbursements you'll receive partial payment up to the amount currently in your account. And you'll receive additional, automatic reimbursements as you make contributions, until the claim is paid in full. The entire maximum annual amount is not available until payroll deductions are received.
- Your employer will designate a certain year-end deadline for submitting claims. Please contact your benefits manager to find out your deadline. In addition, your employer may allow you to use FSA funds remaining at the end of the plan year to pay for claims incurred during the 2-1/2 months after your plan year ends. Please check with your employer to determine if this option is available to you.
- For a list of eligible expenses, please visit [myCIGNA.com](http://myCIGNA.com).

## We're Here to Help

**Online resources:** Visit [myCIGNA.com](http://myCIGNA.com) for instant, up-to-date balance information and claim status, reimbursement forms, and answers to general questions. It's a useful, convenient tool, available anywhere, anytime.

**Answers a phone call away:** Call the toll-free number on your CIGNA HealthCare ID card or 1.800.CIGNA24, and voice prompts will quickly direct you to the information you need. You may speak with a Customer Service Representative Monday-Friday, 8 a.m.-6 p.m.

**Helping you keep track:** With each reimbursement check, you will receive an Explanation of Payment (EOP). If your request is denied, we'll send a letter of explanation that clearly explains the reason for the denial. We also provide an easy-to-understand periodic statement that shows your contributions and reimbursements to date, as well as your account balance.

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