Dependent Care Flexible Spending Account

Summary Plan Description

For Postdoctoral Scholars

UNIVERSITY
OF
CALIFORNIA

Plan Year 2024

This Summary Plan Description describes the Postdoctoral Scholars Dependent Care Flexible Spending Account as of January 1, 2024.

IMPORTANT INFORMATION FOR YOUR 2024 DEPENDENT CARE FSA

PLAN LIMIT

- Annual Maximum: $ 5,000.00*
- Annual Minimum: $ 180.00

CLAIMS DEADLINE

The deadline for filing Dependent Care FSA claims for expenses incurred during the 2024 plan year, or during the grace period, is April 15, 2025.

GRACE PERIOD

The plan offers a grace period through March 15 of the following year. As long as you were participating in the plan as of December 31st of the plan year, eligible claims incurred during the grace period can be paid from the plan year balance.

RE-ENROLLMENT REQUIREMENT

You need to enroll in the plan every year. Your enrollment will not continue into the next plan year automatically. If you want to participate in the plan, you need to elect an annual contribution amount every year during Open Enrollment. Changes to your election may be allowed if you have a qualifying life event (see "page 9," Midyear Changes Allowed).

* Employees meeting the IRS definition of highly compensated may be subject to a lower annual maximum contribution. See "Nondiscrimination Requirements" on page 5.

Making sure that your child or other loved one is well cared for while you're working can sometimes be costly. Fortunately, UC's Postdoctoral Scholar Dependent Care Flexible Spending Account (Dependent Care FSA) allows you to set aside pretax money each year for dependent care expenses, helping you budget for these costs and saving you money on taxes.

How the Dependent Care FSA Works

UC offers benefits-eligible employees the opportunity to pay certain dependent care expenses with tax-free dollars through the Dependent Care FSA. You decide each year how much you want to contribute to your Dependent Care FSA. The amount you specify is taken in monthly installments from your paycheck, before federal, Social Security (FICA) and most state taxes are calculated.

You may use the money for eligible expenses you incur during the plan year (from Jan. 1 through Dec. 31) and the grace period (through March 15 of the following year). You pay your dependent care expenses as usual, then submit claim forms and receipts to WEX, the company that administers the FSA for UC. WEX will send you a reimbursement for the amount of the claim, or for the amount remaining in your Dependent Care FSA, if less.

You need to submit all claims by April 15 of the following year.

Because your Dependent Care FSA contributions reduce your taxable income, participation will lower your taxes. For example, if you're in a 20 percent tax bracket, each $100 you contribute can save you $20 in taxes. You can use the online FSA calculator at wexinc.com/insights/benefits-toolkit/fsa-calculator to estimate your tax savings. Check with your tax advisor for the details that apply to your situation.

Choose your contribution level carefully, because any money left in your account will be forfeited. Don't forget to take into account summer months when child care may not be needed, the date your child turns 13 and any other circumstances that might affect your contribution levels.

You might be able to reduce your taxes even more by using the dependent care tax credit instead of, or in addition to, the Dependent Care FSA. The tax credit is a percentage of allowable expenses; the percentage varies according to your income level. Any expenses reimbursed via the Dependent Care FSA will reduce the expenses eligible for the tax credit. It's best to consult your tax advisor for help figuring out the best option. You can also consult IRS Publication 503, Child and Dependent Care Expenses, available through the IRS website or by calling the IRS toll-free at 800-829-1040.

ELIGIBILITY

Employees in the following job codes who are eligible for the Postdoctoral Scholars Benefit Plan may participate in the Dependent Care FSA:

- Postdoctoral Scholar Employee (Job Code 3252)
- Postdoctoral Scholar Employee NEX (Job Code 3255)
- Interim Postdoctoral Scholar Employee (Job Code 3256)

Postdocs must receive taxable wages to be eligible for the Dependent Care FSA. Income from grants, scholarships or "Direct Pay" status are not eligible for FSA deductions. Earnings received under the following job codes cannot be included in Dependent Care FSA deductions:

- Postdoctoral Scholar Fellows (Job Code 3253)
- Postdoctoral Scholar Paid Directs (Job Code 3254)

Individuals in appointments with ineligible job codes (and no simultaneous eligible job code) may not participate in the Dependent Care FSA.

If you are married, both you and your spouse must have earned income in order to participate, unless your spouse is incapable of self-care or is a full-time student. (See "How Much You Can Contribute," on page 6, for more information).

WHEN TO SIGN UP

You need to enroll each year if you want to participate. You may enroll when you first become eligible, usually during your first 31 days as a newly eligible employee. After that, you must sign up each year during Open Enrollment, usually in November, if you want to continue to participate.

You may also enroll at other times during the year if you have a family or employment status change. See the chart on page 10, "Midyear Changes Allowed for the Dependent Care FSA," for details on allowable changes.

WHEN COVERAGE BEGINS

If you enroll when you're first eligible or after a family or employment change, your coverage starts the first day of the month following your enrollment, subject to payroll deadlines. If you enroll midyear, expenses incurred before your coverage begins aren't eligible.

If you sign up during Open Enrollment in the fall, coverage begins the following Jan. 1.

DEPENDENTS ELIGIBLE FOR COVERAGE

You may use the funds in your Dependent Care FSA to cover expenses for these eligible dependents:

- Your children up to age 13 who are in your custody and claimed as dependents on your tax return
- A spouse who is physically or mentally incapable of self-care
- A dependent who lives with you—such as a child 13 or older, parent, sibling, in-law or domestic partner—who is physically

or mentally incapable of self-care and claimed as a dependent on your tax return

If care is provided outside your home for a spouse or dependent over age 13 who is incapable of self-care, the spouse or dependent must live in your home at least eight hours a day.

IF YOU'RE DIVORCED

If you have custody of your child, he or she is eligible for Dependent Care FSA coverage even if you don't claim the child as a tax dependent. If you don't have custody, you can't be reimbursed under a dependent care FSA, even if you claim the child as a tax dependent.

HOW MUCH YOU CAN CONTRIBUTE

The minimum annual contribution is $180.

The maximum is the lesser of:

- $3,000 for employees who earned $150,000 or more in 2023, defined as "highly-compensated" by the IRS
- $5,000 per plan year ($2,500 if you are married and filing a separate income tax return) for all other employees
- Your total earned income
- Your spouse's total earned income

In general, the maximum contribution limits are the same regardless of the number of dependents you have, and whether you are single or married. If your spouse is also eligible to participate in a dependent care FSA, your combined contributions should not exceed these maximums. This also applies if you and your spouse both work at UC.

If your spouse is incapable of self-care or is a full-time student* and you claim one dependent, his or her earned income is considered to be at least $250 per month ($3,000/year). If this is your situation, then your maximum contribution is likely to be $3,000. If your spouse is incapable of self-care or a full-time student and you claim two or more dependents, your spouse's earned income is considered to be at least $500 per month, or $6,000/year.

Under certain circumstances, the IRS does not consider you married for the purposes of the Dependent Care FSA program. If your situation falls into one of the following categories, then your spouse's income can't be considered in determining your maximum allowable contribution to the Dependent Care FSA:

- You are legally separated or
- You are married but your spouse has not lived in your household during the last six months of the tax year and you:
  - File a separate tax return
  - Maintain a household that is the principal residence of the qualifying dependent for more than half the taxable year and
  - Pay over half the cost of maintaining your home for this year

NONDISCRIMINATION REQUIREMENTS

To prevent the Dependent Care FSA from being characterized by the IRS as discriminatory in favor of highly-compensated employees— and therefore no longer eligible for favorable tax treatment—the University may reject any elections or reduce contributions or benefits of the plan. This means your payroll deductions may be reduced or stopped, and/or your taxable income will be adjusted, as needed to satisfy the nondiscrimination requirements.

Use It or Lose It
Remember that any money you don't use during the year and its grace period will be forfeited—so it's important to estimate your expenses carefully. You can't roll your unused funds over to the next year after the grace period ends, nor can you receive the unused portion in cash.

ELIGIBLE AND INELIGIBLE EXPENSES

The Internal Revenue Code, sections 21 and 29, sets these rules determining which expenses can be paid with your Dependent Care FSA funds:

- The care must be for an eligible dependent and be necessary so that you—and your spouse, if you're married—can work or look for work (You must have work income during the year.) Or, if your spouse is not working or seeking work, your spouse must be a full-time student or incapable of self-care.
- If care is provided in a day care center, the center must charge a fee. If the center cares for six or more dependents who don't reside there, it must comply with all state and local licensing laws and applicable regulations.

Some examples of eligible expenses for qualifying dependents include:

- Before- and after-school care
- Preschool and nursery school expenses
- Extended day programs

* To be considered a full-time student, your spouse must attend school for at least five calendar months, for the number of hours considered by the school to be full-time. The months need not be consecutive.

How the Dependent Care FSA Works

- Au pair and nanny services (the amounts paid for the care of the dependent)
- Babysitting expenses (both in and outside of your home)
- Summer day camp for a child under 13
- Elder day care expenses

Some examples of ineligible expenses include:

- Amounts paid to your spouse, your child under age 19, a parent of your child who is not your spouse, or a person for whom you or your spouse is entitled to claim as a dependent on your tax return
- Expenses attributable to a disabled spouse or tax dependent living outside your household
- Educational expenses
- Tuition for kindergarten and above
- Food expenses, unless inseparable from care
- Incidental expenses such as extra charges for special events or activities, unless inseparable from care
- Overnight camp

For a detailed list of eligible and ineligible expenses, please see the WEX website at wexinc.com/insights/benefits-toolkit/eligible-expenses.

Expenses are considered to have been incurred when the care is provided—not when you are billed, charged, or pay for it.

WEX acceptance of an expense doesn't assure IRS approval of the expenses. It's your responsibility to make sure that any expenses you submit are eligible under the IRS rules.

Do You Work Part-Time?
If so, when filing your Dependent Care claims you'll need to allocate your expenses between your working and non-working days; generally, you can use your Dependent Care funds only to cover expenses for your working days.

For example, say that you work three days a week and your child is in day care five days a week, at a cost of $300 per week, or $60 per day. You may only claim $180 worth of expenses ($60 per day for the three days you work).

There is an exception: If your dependent care provider requires that you pay the full weekly fee regardless of the number of days that care is actually provided, then the full expense is considered employment-related and would be covered.

HOW TO ENROLL

If you're a newly eligible employee, or during Open Enrollment, you may enroll by logging in to your account on UCPath, at ucpath.universityofcalifornia.edu.

HOW TO TRACK YOUR BALANCE

You can check your balance anytime online or in the mobile app. Each time a reimbursement is issued, you'll receive an Explanation of Benefits, either posted to your online account (if reimbursed by direct deposit) or via U.S. mail (if reimbursed by check), that reflects your current account balance. Toward year's end, you'll receive a statement of year-to-date account activity to ensure you are aware of your remaining balance.

HOW TO CHANGE OR CANCEL CONTRIBUTIONS

Certain changes to your family or employment status may allow you a new 31-day window during which you may start or cancel participation, or change your contribution amount. The chart, "Midyear Changes Allowed for the Dependent Care FSA," on page 9, shows the details. The changes you make to your participation in the plan must be made on account of, and consistent with, the change(s) in your family or employment. You can't make changes retroactively. To make changes contact UCPath or complete the "Health Benefits Enrollment for Life Event" form and submit it to UCPath.

Transferring to a different UC location while retaining an eligible Postdoctoral Scholar job code does not provide a new period of enrollment or the opportunity to make mid-year changes.

How to Get Reimbursed

You'll need to fill out a claim form and, in some cases, provide appropriate documentation to substantiate your expense. If the employee and provider certifications on the claim form are completed and signed, no additional documentation is required. If the provider certification isn't completed and signed, you'll need to submit an itemized statement from the provider that includes:

- The start and end dates of service
- The name(s) and date(s) of birth of your dependent(s)
- An itemization of charges
- The provider's name, address and tax identification or Social Security number

If your expenses aren't clearly eligible, WEX may ask you for additional information to determine whether reimbursement is allowed.

You may file your claim form and documentation in one of four ways:

ONLINE

Log in to your account at uc-fsa.com, click "Submit a Claim" and complete the applicable fields. You are able to attach the corresponding receipt directly within your online account.

BY FAX

Log in to your account at uc-fsa.com to download a reimbursement form. Submit your completed reimbursement form and supporting documentation using the fax number listed on the form.

BY MAIL

Log in to your account at uc-fsa.com, download and complete a reimbursement form. Send the completed reimbursement form and supporting documentation to the address on the form.

BY MOBILE APP

Upload your claims and documents by using your mobile phone. You can use your phone to take a photo of your supporting document to complete your submission.

TIP
When you file your federal tax return, you'll need to list each care provider's name, address and taxpayer identification number (usually the Social Security number). If your provider is a nonprofit organization under IRC 501(c)(3), such as a day care center operated by a nonprofit religious or educational group, you should indicate "tax exempt."

Whichever method you use, don't forget to sign the claim form.

If your claim is more than the balance in your account, WEX will reimburse you up to the amount of your balance and hold your claim until the next contribution is deposited in your account. You don't need to re-file the claim.

Remember that you'll need to file all your claims and documentation by April 15 of the year following the plan year. If you don't, you'll lose any money left in your account. Mailed claims must be postmarked by April 15; you may also fax claims to the number on the form.

Reimbursement should happen quickly, as WEX has established a daily payment schedule for the Dependent Care FSA. Once your request has been reviewed and approved, it will be scheduled for payment and your reimbursement will be issued the next business day. If you prefer direct deposit, you can set it up by logging in to your WEX account.

WEX Benefits Mobile App
You can download the WEX mobile app in the Apple App Store or Google Play by searching for "Benefits by WEX." After you install the app, follow the instructions to create an account.

Other Important Things to Know About the Dependent Care FSA

IMPLICATIONS FOR SOCIAL SECURITY, RETIREMENT PLANS AND UNEMPLOYMENT

Your contributions to the Dependent Care FSA, because they're made on a pretax basis, lower the earnings on which your Social Security taxes are based. This means your future Social Security earnings may be reduced. (If your earnings after your Dependent Care FSA contributions are above the Social Security wage base—for 2024, $168,600—there will be little to no effect on your benefits.) Your pretax Dependent Care FSA contributions may also reduce the earnings used to calculate your unemployment insurance benefits.

Your Dependent Care FSA contributions don't affect the wages used to calculate any UCRP contributions or benefits; nor do they affect your Tax-Deferred 403(b) Plan or 457(b) Deferred Compensation Plan maximum annual contribution amounts.

HOW TO APPEAL A CLAIM

If WEX denies a claim in whole or in part, a written explanation will be sent within three business days of receiving your request for reimbursement. If the claim was denied because it is not consistent with the terms of the plan—for example, because the expense was ineligible or the claim submitted after the deadline—WEX handles the appeal. You have 180 days from the first denial date to submit additional documentation. Submit claim appeals to:

WEX
P.O. Box 2926
Fargo, ND 58108-2926

If an expense paid with the debit card or auto-substantiated is later determined not to be eligible for reimbursement or you are unable to provide the required documentation to substantiate the claim, you will need to repay the plan or offset the amount of the denied claim with other eligible expenses.

If your claim is denied because WEX finds that you or a family member are not eligible for participation in the plan, the University will handle the appeal. Under these circumstances, your request for an appeal should be directed to:

University of California, Office of the President
Health & Welfare Benefits
Attn: Eligibility Appeal
1111 Franklin St.
Oakland, CA 94607

Generally, the University will respond to your request within 60 days of receiving your request or (if later) within 60 days of receiving any additional materials requested from you, your UC location or another relevant party. It's possible, however, that the University may require a longer period of review. The University's decision on appeal is final.

WHEN COVERAGE ENDS

Any expenses you incur after your Dependent Care FSA participation ends aren't eligible for reimbursement. Here are the details of when coverage may end, depending on your circumstances:

IF YOU DON'T RE-ENROLL

If you decide not to re-enroll during Open Enrollment, your participation ends at the end of the plan year (Dec. 31). However, you can incur expenses and use remaining funds left in your account through March 15 of the following year, referred to as the grace period.

LEAVING UC EMPLOYMENT

Your participation in the DepCare FSA ends when you leave UC employment or retire. If you are paid monthly, Dependent Care coverage ends the last day of the month in which you separate from UC. If you are paid biweekly, coverage ends the last day of the pay period in which you made your final Dependent Care contribution. You may continue to submit claims for expenses incurred up to the coverage end date, until the deadline for the plan year.

LEAVES WITHOUT PAY

Your contributions to your Dependent Care FSA stop when you begin a leave without pay. If you are paid monthly, Dependent Care coverage ends the last day of the month in which the leave without pay begins. If you are paid biweekly, coverage ends the last day of the pay period in which you make your final Dependent Care contribution. You may continue to submit claims for expenses incurred up to the coverage end date, until the deadline for the plan year.

If your leave was for less than 120 days and you return in the same plan year, your prior election would be reinstated first of the following month unless you have a qualifying status change during the leave. However, if you've experienced a change in status, such as adding a dependent or changing your care provider, you may choose a new contribution; see the table "Midyear Changes Allowed for the Dependent Care FSA" on page 9 for details. If your leave was 120 days or longer, or you return in a new plan year, you may choose a new annual contribution.

TEMPORARY LAYOFF

When you begin a temporary layoff, your contributions to the Dependent Care FSA stop. Your participation ends on the last day of the pay period following the pay period during which you go on leave. While you're laid off, you may continue to submit claims for eligible expenses you incurred before the layoff; expenses incurred during the layoff period generally aren't eligible.

Midyear Changes Allowed for the Dependent Care FSA

In this table:

- "Dependent" means these individuals, as long as they live with you:
  - Your legal spouse, if physically or mentally incapable of self-care
  - Anyone you claim as a federal tax dependent, such as:
    - Your child under age 13 in your custody
    - Your child age 13 or older, domestic partner, parent, sibling or in-law if claimed as a dependent on your tax return and physically or mentally incapable of self-care
- "Dependent care FSA" means a dependent care flexible spending account

Event	Actions Allowed			
	Enroll	**Increase Contribution**	**Disenroll**	**Decrease Contribution**
Change in your marital status				
You marry and gain an eligible dependent	Yes	Yes	No	No
You marry and your spouse is either not employed or is enrolled in the spouse's employer's dependent care FSA	No	No	Yes	Yes
You lose your spouse through death, divorce, legal separation or annulment and your spouse was enrolled in the spouse's employer's dependent care FSA	Yes	Yes	No	No
Gain or loss of a dependent				
You gain an eligible dependent (for example, through birth, adoption or your spouse becomes incapable of self-care)	Yes	Yes	No	No
You lose an eligible dependent (for example, through death, a child reaches age 13 or a child is no longer a tax dependent)	No	No	Yes	Yes
Change in employment status of spouse that affects benefits eligibility				
Your spouse gains eligibility for and enrolls in own employer's dependent care FSA because your spouse starts employment or has an employment status change	No	No	Yes	Yes
Your spouse loses eligibility for own employer's dependent care FSA because your spouse ends employment or has an employment status change Note that for a married employee to be or remain eligible for the Dependent Care FSA, the spouse must be working or looking for work (unless is a fulltime student or incapable of self-care)	Yes	Yes	No	No
Cost change (doesn't apply if provider is a relative, by blood or marriage, of the employee)				
Dependent care provider increases cost of service	Yes	Yes	Yes	Yes
Dependent care provider decreases cost of service	Yes	No	No	Yes

Midyear Changes Allowed for the Depedent Care FSA

Event	Actions Allowed			
	Enroll	**Increase Contribution**	**Disenroll**	**Decrease Contribution**
Change in dependent care provider or coverage				
You change dependent care providers	Yes	Yes	Yes	Yes
There is a reduction in hours or dependent care ends (for example, a child starts school)	No	No	Yes	Yes
You change (in whole or in part) from paid care to no care or free care	No	No	Yes	Yes
You change (in whole or in part) from free or no care to paid care	Yes	Yes	No	No
Your spouse starts employment	Yes	Yes	No	No
Your spouse ends employment	No	No	Yes	Yes
You or your spouse change work schedule (going from full- to part-time or vice versa) in a way that creates, changes or eliminates the need for dependent care	Yes	Yes	Yes	Yes
Your spouse who is not working or looking for work becomes a full-time student or becomes incapable of self-care	Yes	No	No	No
Your spouse who is not working or looking for work is no longer a full-time student or is no longer incapable of self-care	No	No	Yes	No

Questions?
Contact WEX at 844-561-1338 or visit uc-fsa.com

Event	Actions Allowed				
	Enroll	**Increase Contribution**	**Disenroll**	**Decrease Contribution**	**Example**
Change in employment status					
You are initially hired into a non-eligible Postdoc Job code, then obtain an appointment in an eligible Postdoc job code that is benefits primary	Yes	N/A	N/A	N/A	You are initially hired with job code 3254, then mid-year are changed to job code 3252 in a benefits-primary appointment
You obtain a new appointment eligible for a **different** benefits program, with no break in employment	Yes – You may enroll in the Dependent Care FSA plan for which you become newly eligible	Yes – You may increase your election amount in the new plan relative to the amount you elected under the previous Dependent Care FSA plan	Yes – You may disenroll from the Dependent Care FSA plan for which you are no longer eligible	Yes – You may decrease your election amount in the new plan relative to the amount you elected under the previous Dependent Care FSA plan	Postdoc to Faculty/Staff, Resident to Faculty/Staff, Resident to Postdoc, etc.
You are rehired 120 days or more after termination into the **same** or a **different** benefit program	Yes	Yes – You may increase your election amount relative to the amount you elected under your prior appointment	Yes	Yes – You may decrease your election amount relative to the amount you elected under your prior appointment	Benefits program is irrelevant since you are given a PIE as though a new hire
You are rehired less than 120 days after termination into a position that is eligible for the **same** benefits program	Reinstate	No	No	No	You are rehired with the same benefits package as prior to termination
You are rehired less than 120 days after termination into a position that is eligible for a **different** benefits program	Yes – You may enroll in the Dependent Care FSA plan for which you become newly eligible	Yes – You may increase your election amount in the new plan relative to the amount you elected under the previous Dependent Care FSA plan	Yes – You may disenroll from the Dependent Care FSA plan for which you are no longer eligible	Yes – You may decrease your election amount in the new plan relative to the amount you elected under the previous Dependent Care FSA plan	Postdoc to Faculty/Staff, Resident to Faculty/Staff, Resident to Postdoc, etc.
You lose Dependent Care FSA eligibility for 120 days or more due to change in job code, then regain Postdoc Dependent Care FSA eligibility Or, you lose eligibility for less than 120 days, then regain eligibility in a new plan year	Yes	Yes	Yes	Yes	You change from job code 3252 (FSA eligible) to 3254 (FSA non-eligible), then back to 3252
You lose Dependent Care FSA eligibility for less than 120 days due to change in job code, then regain Postdoc Dependent Care FSA eligibility in the same plan year	Reinstate	No	No	No	You change from job code 3252 (FSA eligible) to 3254 (FSA non-eligible), then back to 3252

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607, and for faculty to the Office of Academic Personnel and Programs, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607.

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