

Dependent Care Plan

Under a dependent care assistance program, a district may have an employee contributing pre-tax dollars for a dependent care reimbursement plan or, as a fringe benefit; the district may be making contributions. The district may exclude the value of benefits provided to an employee under the dependent care assistance program from the employee's wages if they reasonably believe that the employee can exclude the benefits from gross income.

Report the value of all dependent care assistance you provide to an employee under a dependent care assistance program in box 10 of the employee's W2. HCM is configured to automatically report any amounts in box 10 using these deduction codes:

- SDDCSA
- SDDFSA
- WWDCSA
- NBDCSA
- NBDCSR
- 12DCSA
- 22DCSA
- 42DCSA
- 61DCSA
- 64DCSA
- 73DCSA
- 77DCSA
- 92DCSA

If the district has requested a general deduction setup for a Dependent Care assistance program deduction not listed above, **please notify Payroll Services no later than December 2nd, 2021 to ensure proper reporting on the Form W2.** If a code other than the ones listed has been used for dependent care deductions, and Payroll Services has not been notified, the employees form W2 will not reflect their deductions.

Any amount in excess of \$5,000 or \$2,500 for married filing separate must be included in Box 1/16, 3 & 5 (if subject to Social Security & Medicare) as well. However, the exclusion cannot be more than the smaller of the earned income of either the employee or employee's spouse.

Enter the excess amount with reportables code **WDC** on the employee payline.

Helpful Links:

[IRS Publication 15B](#)
[Section 129 – Reporting Requirements for Dependent Care Assistance](#)