TSB Dependent Care Spending Account

GRACE PERIOD FAQ

What is the TSB Dependent (Day/Evening) Care Spending Account?
This account allows you to set aside tax-free money for qualified day/evening care expenses which enable you and your spouse to work. Expenses must be for eligible dependents, including your children under age 13 and other qualifying tax dependents.

What is a grace period?
The grace period provides an additional 2 ½ months following the end of the plan year to incur expenses against your TSB Dependent Care account. This means that you have a total of 14 ½ months each year (January 1 – March 15 of the following year) to utilize the funds in your account.

What are the new TSB Dependent Care Spending Account deadlines?
- **Enrollment**: During Open Enrollment or within 30 days of an IRS-qualified life event
- **Incur expenses**: January 1 through March 15 of following year
- **Claim deadline**: April 15 of following plan year

What is the difference between a grace period and a rollover?
A grace period (applies to the TSB Dependent Care Spending Account only) allows you to continue to incur expenses for an additional period of time following the end of the plan year (January 1 through March 15 of the following year). This gives account holders the ability to spend down the remainder of their previous year’s funds before March 15. Any funds remaining after the claim deadline are forfeited.

A rollover (applies to the TSB Healthcare Spending Account only) allows a certain amount of funds to transfer into a new account for the following year. Those funds can then be used for expenses incurred in the new plan year. Only funds exceeding the rollover amount are forfeited.

How are claims handled during the grace period?
Claims can only be reimbursed once.

If you have a TSB Dependent Care account for 2020 and 2021:
- claims can be submitted online, by email, by fax or by mail to Nyhart.
- claims will first be processed from your 2020 balance until exhausted or until March 15, whichever comes first, then from your 2021 balance.

If you have a TSB Dependent Care account for 2020 but NOT 2021:
- claims can be submitted online, by email, by fax or by mail to Nyhart.
- claims will be processed from your 2020 balance until exhausted or until March 15, whichever comes first.

Does adding the grace period change the claim filing deadline?
No, the claim filing deadline for the TSB Dependent Care account remains April 15.

- For 2020, all claims incurred from January 1, 2020, through March 15, 2021, can be submitted anytime until the claim deadline.
- Claims can be submitted online, by email, by fax or by mail to Nyhart.
- Any unused funds remaining after the claim deadline will be forfeited and, per IRS rules, cannot be returned to the employee.

How are my taxes affected by the grace period?
The grace period does not affect your taxes or tax reporting requirements. The TSB Dependent Care deductions that are taken from your paycheck will still be reported on your W-2 (box 10) for the same year it comes out of your paycheck.

What happens to the money in my TSB account if I terminate my employment?
You can no longer incur expenses as of the date you terminate employment. You have until the claim deadline to submit claims for expenses incurred prior to your termination date.

For the TSB Healthcare Spending Account: If you wish to extend the amount of time you have to incur expenses, you can elect COBRA continuation coverage through Nyhart on a month-by-month basis through December 31 of that year. The deadline for filing claims remains the same, February 28 of the following year.

For the TSB Dependent Care Spending Account: There is no option to extend the amount of time you have to incur expenses. The deadline for filing claims remains the same, April 15 of the following year.