

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT WORKSHEET

This worksheet will help you decide if you would benefit more from the Federal Child Care tax credit or from a Dependent Care FSA. It can also be used to determine an appropriate Dependent Care FSA election. For detailed tax rate information, consult your tax advisor.

FEDERAL CHILD CARE TAX CREDIT

Your Adjusted Gross Income (AGI):	Rate: (Line B)
Less than \$15,000	35%
\$15,000 - 17,000	34%
\$17,000 - 19,000	33%
\$19,000 - 21,000	32%
\$21,000 - 23,000	31%
\$23,000 - 25,000	30%
\$25,000 - 27,000	29%
\$27,000 - 29,000	28%
\$29,000 - 31,000	27%
\$31,000 - 33,000	26%
\$33,000 - 35,000	25%
\$35,000 - 37,000	24%
\$37,000 - 39,000	23%
\$39,000 - 41,000	22%
\$41,000 - 43,000	21%
More than \$43,000	20%

ESTIMATE YOUR DEPENDENT DAY CARE EXPENSES FOR THE FSA PLAN YEAR:

Infant/Toddler	\$ _____ per month
Preschool	\$ _____ per month
Before and After school care	\$ _____ per month
School vacations/Holidays	\$ _____ per month
Other dependent care	\$ _____ per month
Total MONTHLY Expenses	\$ _____ per month
X 12 = Total ANNUAL Expenses	\$ _____ Annual

NOTE: Use "Total Annual Expenses" in the section below. You will need to divide this amount by the number of pay periods in your Plan year (or the number of pay periods remaining in the Plan year if you are enrolling mid-year), in order to enter your "Before-Tax Contribution" on the FSA Enrollment Form.

Use the Tables and Income that correspond with the way you file your Federal Tax Return. Example: If you file Married, Joint on your Federal Tax Return, use your "joint" income in the tables and worksheet below.

	Federal Child Care Tax Credit	vs	Dependent Care FSA
A. Enter Total Annual Estimated Dependent Care Expenses	\$ _____		\$ _____
NOTE: For the Federal Tax Credit, this amount cannot exceed \$3,000 for 1 qualifying dependent; \$6,000 if 2 or more and cannot exceed your income or your spouse's income, whichever is smaller. See the Flex News for the maximum FSA Dependent Care amount.			
B. Enter the rate for your Federal Child Care Tax Credit (from table above)	_____ %		
C. Enter the federal tax rate (See Federal Tax Rates Table below)			_____ %
D. Multiply line B or C (whichever applies) by line A and enter here	\$ _____ *		\$ _____ *
E. Conservative 8% state tax rate (if applicable)			8.00 %
F. FICA/Medicare tax rate			7.65 %
G. Add lines C, E and F and enter here			_____ %
H. Multiply line A by line G and enter here			\$ _____ **

* Line D is your estimated Federal Tax Credit and your estimated annual Federal Tax Savings from a Flexible Spending Account.
 ** Line H is your estimated TOTAL Annual Tax Savings - Federal, State, and FICA/Medicare - from a Flexible Spending Account.

2005 FEDERAL TAX RATES

Filing Status:	Taxable Income:	Approximate Rate:
Single	Not over \$7,300	10% of taxable income
Single	\$7,301 - \$29,700	\$730+15% of excess over \$7,300
Single	\$29,701 - \$71,950	\$4,090+25% of excess over \$29,700
Single	\$71,951 - \$150,150	\$14,653+28% of excess over \$71,950
Head of Household	Not over \$10,450	10% of taxable income
Head of Household	\$10,451 - \$39,800	\$1,045+15% of excess over \$10,450
Head of Household	\$39,801 - \$102,800	\$5,448+25% of excess over \$39,800
Head of Household	\$102,801 - \$166,450	\$21,198+28% of excess over \$102,800
Married, Joint	Not over \$14,600	10% of taxable income
Married, Joint	\$14,601 - \$59,400	\$1,460+15% of excess over \$14,600
Married, Joint	\$59,401 - \$119,950	\$8,180+25% of excess over \$59,400
Married, Joint	\$119,951 - \$182,800	\$23,318+28% of excess over \$119,950
Married, Separate	Not over \$7,300	10% of taxable income
Married, Separate	\$7,301 - \$29,700	\$730+15% of excess over \$7,300
Married, Separate	\$29,701 - \$59,975	\$4,090+25% of excess over \$29,700
Married, Separate	\$59,976 - \$91,400	\$11,659+28% of excess over \$59,975

NOTE: If your income exceeds the amounts listed in this table, contact your accountant for your tax rate.