

SUMMARY OF TAX DEPENDENT DEFINITION



Eligible for reimbursement of expenses in FSA - Health Care Account

You may be reimbursed for you, your spouse and your eligible dependent's medical expenses through your employer sponsored Health FSA Plan. To determine if someone is an eligible dependent, they must meet the Tax Code 152 definition of a qualifying child or qualifying relative as follows:

A "qualifying child" is generally someone who:

1. Is your child, brother, sister, stepbrother or stepsister, or a descendant of any such person;
2. Has the same principal place of abode as you do for more than half of your taxable year;
3. Is not age 19 or older (age 24 if a student) as of the close of the calendar year in which your taxable year begins;
4. Does not provide over half of his or her own support during the calendar year in which your taxable year begins;
5. Is a citizen or resident of the U.S. or resident of Canada or Mexico;
6. Is not a dependent of someone who is a dependent of another taxpayer; **and**
7. Is not an individual who files a joint tax return with his/her spouse.

A "qualifying relative" is generally someone who:

1. Is your child (or descendant of your child), brother, sister, stepbrother, stepsister, parent (or parent's ancestor), stepparent, brother's or sister's son or daughter, parent's brother or sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or has the same principal place of abode as you do and is a member of your household (unless the relationship is in violation of local law);
2. Earns a gross income for the calendar year in which your taxable year begins that is less than the Internal Revenue Code § 151 (d) exemption,
3. Has received over half of his or her support from you during the calendar year in which your taxable year begins;
4. Is not a "qualifying child" (as defined above) of you or another taxpayer (exclusion for those not required by section 6012 to file an income tax return and a) does not file a return or, b) files a return solely to obtain a refund of withheld income tax),
5. Is a citizen or resident of the U.S. or resident of Canada or Mexico;
6. Is not a dependent of someone who is a dependent of another taxpayer; **and**
7. Is not an individual who files a joint tax return with his/her spouse.

Eligible for reimbursement of expenses in FSA - Dependent Care Account

You may be reimbursed for eligible dependent daycare expenses for eligible dependents as described above (disregarding qualifications in 7, 9 and 14).

Eligible to pay pre-tax premiums for dependent's health care coverage

You may pay health insurance premiums on a pre-tax basis through this cafeteria plan for yourself and your spouse to the extent that you and your spouse are covered under the plan(s). You can also pay health insurance premiums for your dependents if they are covered under the plan(s) and they meet the definition of either "qualifying child" or "qualifying relative" as described above, excluding the following statement regarding a qualifying relative "Earns a gross income for the calendar year in which your taxable year begins that is less than the Internal Revenue Code § 151 (d) exemption.

Important Note

The above definitions are representative, but not all-inclusive. Please contact your tax advisor to determine for certain if a particular individual is a qualified child or a qualified relative under Internal Revenue Code Section 152.