

# FAMILY FRIENDLY WORKPLACE

SUPPORT  
CHILD  
CARE

INCREASE  
WORK  
PRODUCTIVITY

SAVE ON  
PAYROLL  
TAXES



## Dependent Care Flexible Spending Account

A Dependent Care Flexible Spending Account allows employees to pay for work-related child care expenses using funds withdrawn from paychecks before taxes are deducted

### BUSINESS BENEFITS

- Improves recruitment and retention
- Improves work performance
- Improves health



[fsafeds.com/explore/dcfesa](https://fsafeds.com/explore/dcfesa)

**KIDS ARE GOOD BUSINESS**

# FAMILY FRIENDLY WORKPLACE

INFORMATION FOR EMPLOYERS

KANSAS  
POWER  
of the Positive



## DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

A Dependent Care Flexible Spending Account (FSA) is an excellent way for parents to save for child care. Flexible spending accounts allow employees to pay for work-related child care expenses using funds withdrawn from paychecks before taxes are deducted.

## SUPPORT CHILD CARE

Of Kansas parents with children age 5 and younger, 12.6% had to quit a job, not take a job, or greatly change their job because of problems with child care.<sup>1</sup> One way that employers can support child care is to provide access to a Dependent Care FSA and provide matching contributions. Employers can contribute to the Dependent Care FSA matching a percentage of what the employee saves in the account as a benefit to employment.

## IMPROVE WORK PRODUCTIVITY

According to the Economic Policy Institute, child care is unaffordable for the typical Kansas family.<sup>2</sup> A federal work life study reports that working parents have difficulty paying for child care even when their income level doesn't qualify them for a subsidy program. The study also shows that when workplaces help employees with dependent care, employees report:

- Increased desire to stay
- Improved performance
- Improved morale
- Improved health<sup>3</sup>

**“ Child care is a two generation workforce challenge. There is tremendous untapped economic potential if Kansas can step up to solve the child care challenge. Many employers want to facilitate more access to child care for their working parents but do not know where to begin.”**

*The Chamber of  
Lawrence Kansas*

## KIDS ARE GOOD BUSINESS

Kansas employees who have taken the Kids Are Good Business survey rate “employer provided flexible spending accounts that allow tax free income to be spent on child care” as extremely important. Is it important to your employees? You can ask them using the Kids Are Good Business survey at [familyfriendlyks.org](http://familyfriendlyks.org).

## CONTACT YOUR BENEFITS BROKER

Ask your benefits broker if the cost of outsourcing FSA administration can be more than offset by savings from avoiding payroll taxes on account contributions. You may save money by allowing your employees with dependents to save money. Businesses of any size can offer employees Dependent Care FSAs.

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## SOURCES

<sup>1</sup> 2019-2020 National Survey of Children's Health (NSCH)

<sup>2</sup> Economic Policy Institute, The Cost of Child Care in Kansas

<sup>3</sup> U.S. Office of Personnel Management, Federal Work-Life Survey Governmentwide Report, March 2018