



Because life is a balancing act.



Verizon – North

International  
Brotherhood  
Of Electrical  
Workers

## Dependent Care Reimbursement Fund

2003 –2008

If you are eligible, you may receive reimbursement tax-free  
to help you pay for the care of a dependent.  
This packet contains information that you must read  
prior to applying for this Fund.

## TABLE OF CONTENTS

<u>GENERAL INFORMATION ABOUT THE FUND</u>	<u>PAGE</u>
• What is the Dependent Care Reimbursement Fund?	3
<u>ELIGIBILITY</u>	<u>PAGE</u>
• Employee Eligibility	4
• Dependent Eligibility	4
• Provider Eligibility	5
• Should my provider be registered or licensed?	5
<u>ENROLLMENT</u>	<u>PAGE</u>
• How do I apply to enroll in the Fund?	6
<u>REIMBURSEMENT</u>	<u>PAGE</u>
• How do I get reimbursed from the Fund?	7
<u>TAX IMPLICATION</u>	<u>PAGE</u>
• How does the Fund affect my personal tax responsibilities?	7
<u>APPEALS PROCESS</u>	<u>PAGE</u>
• Is there an appeal process if I disagree with a decision?	8
<u>CHECKLISTS OF WHAT TO DO</u>	<u>PAGE</u>
• Checklist of what you need to do to enroll in the Fund and to be reimbursed from the Fund	9
<u>FORMS NEEDED FOR THE FUND</u>	<u>PAGE</u>
• <u>Enrollment Application Form</u>	10
• Care Provider Form	11
• Certification Form	12
• DCRF Monthly Reimbursement Form	13
<u>FREQUENTLY ASKED QUESTIONS</u>	<u>PAGE</u>
• Answers	14-17

Additional information and forms may be obtained by contacting the Verizon/IBEW Work and Family Staff 508-890-3558, 508 890-3557 or 508-890-3556 or your Local Union representative.

## What is the Dependent Care Reimbursement Fund (the Fund)?

The Fund is the result of an agreement bargained by IBEW and Verizon in previous or contract negotiations. The company has provided funding to create a new Dependent Care Reimbursement Fund, with \$825,000 budgeted for each of the years August 4, 2003 – August 2, 2008. The Fund will also be used to cover administration expenses as well as other Work and Family initiatives authorized by the Work and Family Committee.

The Dependent Care Reimbursement Fund is the Verizon/IBEW negotiated subsidy that goes to eligible employees for qualified dependent care expenses. The Fund is targeted to assist employees with their dependent care expenses so that the employee can work with less distraction and concerns about the care of a dependent.

The reimbursement is not taxed as long as the amount you receive plus any amount you have set-aside in the Spending Account (and any similar accounts of your spouse) does not exceed \$5,000 (\$2,500 if you and your spouse file separate tax forms). Contact the Verizon Benefit Center at 1-877-275-8947 for more information.

### Key Points to Know:

- The Fund is part of the collective bargaining agreement between the IBEW and Verizon for use between August 5, 2003 through August 5, 2008. The Work and Family Committee oversees the Fund. Committee membership is composed of IBEW and management representatives. Program is contingent on contract negotiations.
- The Fund rules and eligibility requirements are determined by the Internal Revenue Service and the Work and Family Committee.
- The Work and Family staff administers the Fund and makes application and reimbursement approvals based on the guidelines set by the Work and Family Committee and the Internal Revenue Service.
- There are two separate Dependent Care Reimbursement Funds in Verizon. See the “Eligible employees” chart on page 4 to ensure you apply for the appropriate Fund.
- You must reenroll in May of each year.
- The program year is May 1- April 30. You may enroll at any time throughout the year.
- Reimbursement is for eligible dependents
- Reimbursement amount is up to \$ 20.00 per working day. Your dependent must be in the care of the provider and you must be at work.
- School tuition to attend kindergarten or a higher grade is not reimbursable.

## **Employee Eligibility**

### **Key Points to Know:**

- **In order to collect any money from the DCRF you must be at work**
- Participants in the Fund must meet the following requirements:
- You must be a Regular Full or Part-time employee.
- You are a member of the New England IBEW (excluding Local 2213), non-bargained, or Management located in New England, excluding VIS, IDEARC.
- Your prior years total household income was less than or equal to \$125,000 as reported on your prior year's income tax return. (If you are married but file head of household or single, you must include your spouse's W2 form as well as his/her 1040)
- You need dependent care in order to work. Under Federal Law, you, your spouse must be working during the hours your dependents are in care in order to make this a tax-free benefit. The only exceptions are when your spouse is a full-time student, or is actively seeking work (i.e. unemployment), or is physically or mentally incapable of self-care.
- Fund reimbursement cannot be used to pay for child support.
- You pay a legally operating provider for the care of a dependent.
- If your child/children are not shown on your IRS 1040 form, due to birth, custodial care, foster care or adoption, you must attach a copy of the child's birth certificate or appropriate legal documentation.
- In the event of a significant lifestyle change i.e. divorce or death of a spouse you may apply and your eligibility will be determined by the N.E. Work and Family Committee.

## **Dependent Eligibility**

The Fund is a tax-free benefit and eligible dependents are defined by the Internal Revenue Service (IRS) rules and regulations.

### **Key Points to Know:**

Your reimbursed dependent care expenses must be for one of the following:

- A child under 13 years of age that is listed on your IRS 1040 Form as a dependent.
- Your spouse who is physically or mentally unable to provide self-care.
- A person unable to provide self-care who qualified as your dependent on your IRS

1040 Form and who lives in your home.

### **Provider Eligibility**

The Fund is a tax-free benefit and providers must comply with the Internal Revenue Service (IRS) rules and regulations.

#### **Key Points to Know:**

- Providers must be licensed or legally operating.
- Providers cannot be a dependent listed on your 1040 Form.
- Providers cannot be your child under the age of 19 years.
- Refer to the chart below for specific registration and licensing requirements in your state.
- You must report your provider's name, address, and social security or tax identification number on the Enrollment Application, employee Monthly Reimbursement form and IRS income tax forms.

#### **Should my provider be registered or licensed?**

Your provider should be registered/licensed if:

Connecticut (860) 509-8045	*Care is not in your home, or *Care is not by a relative.
Maine (207) 287-5060	*Care is not in your home. *Care is not by a relative, or *Three or more children are in the care of your provider
Massachusetts (617) 988-6600	*Care is not in your home, or *Care is not by a relative
New Hampshire (603) 271-4624	*Care is not in your home. *Care is not by a relative, or *Four or more children are in the care of your provider
Rhode Island (401) 528-3624	*Care is not in your home. *Care is not by a relative, or *Four or more children are in the care of your provider
Vermont 800-649-2642	*Care is not in your home. *Care is not by a relative, or *Three or more families are using your provider

\*Call your state's licensing department at the number shown for specific details.

If you need help finding dependent care you can call VZ- Life, a resource and referral program at 1-800-845-0632 to speak with a dependent care expert who can discuss your options with you.

## **Enrollment**

The Work and Family Committee has established an easy application process that satisfies IRS requirements and Verizon/IBEW verification and monetary requirements.

The information provided in your enrollment application form will be verified by the Verizon/IBEW Work and Family Staff of New England. If you are eligible to participate and the expenses are reimbursable under the Fund, you will be notified. Normally, your effective date is the date your completed application is received. If you are not eligible, you will receive a letter from the Work and Family Committee.

### **Key Points to Know:**

- You must meet the eligibility rules for employees (Page 4), dependents (Page 4) and providers (Page 5).
- Your prior year's IRS 1040 Form and all W-2's for your household (including your spouse, if you live with your spouse and file separately) must be included with your application.
- If your child/children are not shown on your IRS 1040 form, due to birth, custodial care, foster care or adoption, you must attach a copy of the child's birth certificate or appropriate legal documentation.
- If you or your spouse is self-employed and filed income tax for your business, you must attach a copy of the IRS Schedule C, which is filed along with your business form.
- Send completed applications and supporting information to:  
Verizon/IBEW Work and Family Staff  
15 Chestnut St. Floor 3  
Worcester, MA 01609

**Employees are responsible for the submissions of valid information on all enrollment and claim forms. Failure to do so may jeopardize the employee's continuation in the Fund.**

## **Reimbursement**

After you have been approved for Fund participation, to be reimbursed, you must complete the DCRF Monthly Reimbursement Form and have your provider sign or submit payment receipts for dependent care. You will be reimbursed through the payroll system.

### **Key Points to Know:**

- You must submit an original **DCRF Monthly Reimbursement Form** for each month for each child and for each provider if more than one.
- **DCRF Monthly Reimbursement Form** must be received by the Work and Family Staff by **the Second Friday** of each month for previous month services
- Monthly Reimbursement forms received **after the Second Friday requirement will be rejected.**
- Enrollment Applications must be validated by the work and family staff prior to any payments being made.
- Allow at least four weeks for reimbursement processing. Reimbursement will appear in your paycheck.
- Send monthly reimbursement claims **for date verification** (it is recommended that you use U.S. mail) to:
  - Verizon/IBEW Work and Family Staff
  - 15 Chestnut St Floor 3
  - Worcester, MA 01609
  - Attention DCRF Reimbursement

### **Fax or Xerox will not be accepted.**

- Employees are responsible for the submission of valid information on all enrollment and claim forms. Failure to do so may jeopardize the employee's continuation in the Fund.
- **Please be sure to notify your provider that VERIZON will be calling. Your provider should be prepared to verify the amount he/she charges for providing care, hours/days the child is in their care and their license number, registration number, and/or social security number**

## **Tax Implications**

Each employee is responsible to comply with the IRS guidelines. Employees should consult a tax advisor about their particular circumstances.

### **Key Points to Know:**

- Each household is limited to \$5,000 of tax-free reimbursement per tax year (the limit is \$2,500 if you and your spouse file separate tax returns).
- The \$5,000 tax-free limit includes the monies from the Fund, and any amount an employee sets aside through the Verizon Dependent Care Spending Account or amounts a spouse sets-aside in another dependent care account.
- Any reimbursement over the \$5,000 limit will be taxed as income. Remember any reimbursement in excess of the IRS allowed tax-free level is subject to additional taxation depending on how you file you taxes. Since tax situation vary by each employee, Verizon is not responsible for notifying employees or calculating for employees when he reimbursement exceeds the tax-free benefit allowed by the IRS and become taxable income.
- Check with a tax advisor to ensure your compliance with the IRS laws.

### **Appeal Process**

If you are declared not eligible to participate in the Fund, or if the reimbursement request you submit is denied, you may appeal this decision. **It is not up to the Work and Family Staff to advise or automatically appeal for you.**

### **Key Points to Know:**

- Appeals must be submitted in writing to the Work and Family Committee with details of your situation. Enclose all necessary documentation and phone #'s for clarification. You only have **one** appeal opportunity.
- The Work and Family Committee will review all written appeals submitted to the Work and Family Staff at their next scheduled meeting.
- Your appeal must be received by the committee within 45 days of your written notification of denial.
- Appeal decisions of the Work and Family Committee are final.

### **Where do I send my appeal?**

Written appeals must be received within 45 days of your notification of denial.

Send appeals to:

Verizon/IBEW Work and Family Staff  
15 Chestnut St. Floor 3  
Worcester, MA 01609  
Attention: Appeals Committee

### **Will I be notified of the decision of the Work and Family Committee?**

All appeal decisions of the Work and Family Committee will be sent in writing to the appealing employee.

**VERIZON/IBEW  
DEPENDENT CARE REIMBURSEMENT FUND OF NEW ENGLAND**

**Checklist of what you need to do to enroll in Fund**

- Read the Application packet for employee, dependent, and provider eligibility
- Gather your complete 1040 and W-2 forms for your household (and spouse if your spouse lives with you and files separately).
- Answer all questions on the application form (Pages 10- 11)
- Read, complete, sign and date the certification form (Page 12)
- Send the completed application, certification form, and copy of your W2, entire federal tax return and any custody/support documents, if applicable, to:

Verizon/IBEW Work and Family Staff  
15 Chestnut St Floor 3 Street,  
Worcester, MA 01609  
Attention: - DCRF Applications

**Checklist of what you need to do to be reimbursed (after approved by the Work and Family Staff)**

- Each month, have your dependent care provider(s) complete and sign the Monthly Reimbursement form (Page 13) in ink or attach receipt.
- Completely fill-out the Monthly Reimbursement form (Page 13) in ink.
- The Work and Family Staff must receive the Monthly Reimbursement form by the second Friday of the month for the prior month's expenses. Send to:

Verizon/IBEW Work and Family  
15 Chestnut St Floor 3 St.  
Worcester, MA 01609  
Attention DCRF Reimbursement

**VERIZON /IBEW**  
**Dependent Care Reimbursement Fund- Enrollment Application**

<input type="checkbox"/> <b>New Enrollment</b>		<input type="checkbox"/> <b>Re-enrollment</b> Must re-enroll in May of each year	
EMPLOYEE LAST NAME                      FIRST NAME		SOCIAL SECURITY NO.	NET CREDITED SERVICE DATE
<u>HOME ADDRESS</u>		<u>WORK ADDRESS</u>	
CITY                      STATE                      ZIP CODE	CITY                      STATE                      ZIP CODE		
HOME TELEPHONE NUMBER		BUSINESS TELEPHONE NUMBER	
E-MAIL ADDRESS			
MOBILE PHONE NUMBER		FAX NUMBER	
<input type="checkbox"/> IBEW LOCAL NO _____	<input type="checkbox"/> NON BARGAINED	<input type="checkbox"/> MANAGEMENT	
<b>Marital status</b>	<input type="checkbox"/> SINGLE	<input type="checkbox"/> DIVORCED	
	<input type="checkbox"/> MARRIED	<input type="checkbox"/> SEPARATED	
<p>➤ If you filed a joint return for prior year and are no longer married attach legal documentation.</p> <p>➤ If you are married but file separately you must attach a copy of your spouse's IRS 1040 form and W-2.</p> <p>➤ There is a \$5,000.00 ceiling on the amount of dependent care assistance benefits that an employee may exclude from gross income. The amount is \$2,500.00 in the case of a separate return made by a married person. Thus, there may be some limitation if you or your spouse participates in the Fund and in any other dependent care assistance plan. CONSULT YOUR TAX ADVISOR ON HOW THIS MAY AFFECT YOU.</p>			
<b>DEPENDENT INFORMATION</b>			
➤ YOUR ELIGIBLE DEPENDENTS ARE: YOUR DEPENDENT CHILDREN UNDER 13, OR ANY OTHER PERSON WHO QUALIFIES AS YOUR DEPENDENT FOR FEDERAL INCOME TAX PURPOSES WHO IS PHYSICALLY AND OR MENTALLY INCAPABLE OF SELF-CARE, INCLUDING A SPOUSE, ADULT RELATIVE OR CHILD OVER THE AGE OF 13, AND WHO LIVES WITH YOU.			
➤ IS YOUR DEPENDENT (S) SHOWN ON YOUR IRS 1040 TAX REPORTING FORM?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
IF YOU CHECKED "NO" FOR ANY DEPENDENT, ATTACH EXPLANATION OF LEGAL CUSTODIAL ARRANGEMENTS. IF YOU CLAIM THE DEPENDENT ON YOUR FEDERAL TAX RETURN, CHECK "YES". IF YOU CHECK "NO" YOU MUST SUBMIT ONE OR BOTH OF THE FOLLOWING: BIRTH CERTIFICATE, LEGAL CUSTODIAL ARRANGEMENTS. IN ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE FUND, YOUR DEPENDENT MUST RESIDE WITH YOU, AND MUST BE CLAIMED ON YOUR INCOME TAX.			
<b>DEPENDENT FULL NAME</b>	<b>DEPENDENT SOCIAL SECURITY NO.</b>	<b>DEPENDENT DATE OF BIRTH</b>	<b>DEPENDENT AGE</b>

## CARE PROVIDER INFORMATION

<b>EMPLOYEE NAME</b>				
<b>NAME OF DEPENDENT RECEIVING CARE</b>			<b>AGE</b>	<b>DATE OF BIRTH</b>
<b>TYPE OF CARE PROVIDED</b>				
<input type="checkbox"/> <b>RELATIVE (NON-SPOUSE)</b>  <input type="checkbox"/> <b>FAMILY CHILD CARE PROVIDER (CARE PROVIDED OUTSIDE EMPLOYEE'S HOME)</b>  <input type="checkbox"/> <b>CARE PROVIDED AT EMPLOYEE'S HOME</b>  <input type="checkbox"/> <b>CHILD CARE CENTER OR NURSERY SCHOOL</b> <input type="checkbox"/> <b>BEFORE SCHOOL PROGRAM</b>  <input type="checkbox"/> <b>AFTER SCHOOL PROGRAM</b> <input type="checkbox"/> <b>SUMMER CAMP (DAY CAMP ONLY)</b>		<input type="checkbox"/> <b>ADULT/OLDER DAY PROGRAM</b>  <input type="checkbox"/> <b>IN-HOME SERVICES (MEALS, BATHING, SUPERVISION, PERSONAL CARE, ETC)</b>  <input type="checkbox"/> <b>IN-HOME MEDICAL SERVICES MEDICATION ADMINISTRATION, HOME HEALTH SERVICES</b>  <input type="checkbox"/> <b>OTHER: (EXPLAIN)</b>		
<b>TO BE COMPLETED BY YOUR CARE PROVIDER</b> <b><u>ONLY LEGALLY OPERATING CARE IS PERMISSABLE</u></b>				
<b>PROVIDER'S FULL NAME</b>				
<b>LICENSE NUMBER</b>	<b>REGISTRATION NO.</b>	<b>TAX ID</b>	<b>SOCIAL SECURITY NO.</b>	
<b>PROVIDER BUSINESS ADDRESS</b>				
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>		
<b>PROVIDER'S BUSINESS TELEPHONE NUMBER</b>				
<b>WEEKLY COST OF CARE</b>	<b>HOURLY COST</b>	<b>DAILY</b>	<b>MONTHLY COST OF CARE</b>	
<b>Is care provided on Saturday and Sunday?</b>		<b>What hours is care provided?</b>		
<b>Is care provided Monday- Friday? Yes No</b>		<b>Is care provided less than 5 days per week? Yes No if yes what days is care provided</b>		
		Sun Mon Tues Wed Thurs Fri Sat		
➤ <b>PROVIDERS WHO ARE NOT LICENSED OR REGISTERED MUST FILE INCOME TAX AT TAX PREPARATION TIME. PROVIDERS MUST CLAIM ALL INCOME RECEIVED FROM THE VERIZON EMPLOYEE AS REQUIRED BY THE IRS.</b>				
<b>PROVIDER'S PRINTED NAME</b>				
<b>PROVIDER'S SIGNATURE</b>				<b>DATE</b>

**EMPLOYEE CERTIFICATION**

**EMPLOYEE MUST INCLUDE A COPY OF THE PRIOR YEAR FEDERAL INCOME TAX RETURNS AND A COPY OF PRIOR YEAR W-2's WITH THIS APPLICATION**

I certify that I am

- Married
- Single
- Divorced
- Legally Separated

I certify that the Child(ren) listed as dependent(s) on this application is/are less than 13 years old and will be listed as a dependent(s) on my current Federal Income Tax return. If I am divorced or legally separated I certify that the child(ren) listed as dependents(s) on this application is/are less than 13 years old and is/are in my custody for the greater part of the year. Dependents(s) other than children under age 13 listed on this form is physically and mentally incapable of self-care and qualify as my dependents(s) for Federal Income Tax purposes. The dependent(s) spends(s) at least 8 hours a day in my home. These are the IRS guidelines.

If married, my spouse is employed or is actively seeking employment, or is a full-time student, or is physically or mentally disabled and unable to provide self-care.

I certify that my provider is not a relative listed as a dependent on my Federal income tax return and not my own child under the age of 19. To the best of my knowledge my provider is in compliance with all the laws and regulations governing the operation of the business.

I assume all responsibility for determining the quality and capability of a childcare dependent care provider, and I assume all responsibility for choosing a provider. I understand that VERIZON and IBEW do not hire, train or supervise child or dependent care providers, nor do they screen, endorse, or recommend any provider of care, nor represent or guarantee that the provider I have chosen will provide quality care. I understand that VERIZON, and IBEW are neither responsible nor liable for any injuries or damages of any nature suffered as result of the acts or omission of a provider of care in the operation of its business.

I understand that VERIZON, and IBEW retain the right to change the eligibility requirements or amount of reimbursement as well as any other provision of the Dependent Care Reimbursement Fund.

I understand that is my responsibility to notify the Work & Family Committee at 15 Chestnut St Floor 3, Worcester MA 01609 of any lifestyle change, i.e., Marriage, Birth, or adoption of a child.

I understand that my eligibility for reimbursement terminates upon my termination of employment with Verizon.

I certify that, to the best of my knowledge, the information I have provided on this form is correct.

EMPLOYEE SIGNATURE

Date

# DCRF MONTHLY REIMBURSEMENT FORM

## IBEW /VERIZON

DCRF Monthly Request Form for the Month of \_\_\_\_\_, 200\_

Print in Ink & Make copies of this form to use each month per child, per provider

<b>Employee Name</b>			<b>Social Security #:</b>		
<b>Home Address:</b>		<b>City</b>	<b>State</b>	<b>Zip</b>	
<b>Home Telephone Number:</b>			<b>Mobile#</b>		
<b>Work Address:</b>		<b>City</b>	<b>State</b>	<b>Zip</b>	
<b>Work Telephone Number:</b>		<b>E-mail Address</b>			
<input type="checkbox"/> LOCAL		<input type="checkbox"/> IBEW		<input type="checkbox"/> MANAGEMENT	<input type="checkbox"/> OTHER
<b>Dependent Name</b>			<b>Dependent Date of Birth</b>		<b>Age</b>
<b>IRS Guidelines state that you may not receive reimbursements when not at work i.e. vacation, Incidental absence, Disability absence, Jury duty, EWD, etc. EXPENSES INCURRED WHILE NOT AT WORK ARE NOT REIMBURSABLE.</b>					
<b>Week Ending Saturday</b>	<b>List Dates of Provider Service</b>	<b>List Dates Employee had off from work</b>	<b>Enter Amount Paid</b>	<b>Type of Dependent Care</b>	
				<input type="checkbox"/> Day Care/Nursery/Pre-K	
				<input type="checkbox"/> Before & After School Care	
				<input type="checkbox"/> Pre-School	
				<input type="checkbox"/> Adult/Disability Care	<input type="checkbox"/> Elder Care
				<input type="checkbox"/> Summer Camp/Care	<input type="checkbox"/> Day Camp
<b>Total Monthly Expense</b>			\$	<input type="checkbox"/> Other (explain)	
I certify the accuracy of the above number of days off during my work week dates of provider service and that the above payments were made by me to the dependent care provider					<b>Date</b>
<b>Employee Signature:</b>					
<b>Provider Name</b>		<b>Provider's Telephone Number:</b>			
<b>Tax ID #</b>		<b>Provider's Address</b>			
<b>Provider's SS#</b>		<b>Provider's License/ ID Number:</b>			
I certify that the above amounts of monies were received for services rendered, and I am responsible for reporting these monies to the IRS AS INCOME.					<b>Date</b>
<b>Provider's or Authorized Signature:</b>					

### ***How to complete this form***

You must complete this form in its entirety. If the answer is none, show NONE. Failure to follow these Instructions will cause these forms to be returned and forfeit reimbursement.

1. One form must be used for each dependent and each provider. Only original reimbursement forms will be accepted.
2. You must attach receipts from the prior month only or have your care provider sign this form.
3. All requests for reimbursement must be received no later than the **second Friday** of each month.
4. Signatures (Original signatures and date must be after the expenses have been incurred and the services have been rendered.) Photocopies are not acceptable.
5. Reimbursement for dependent children ceases once the child has turned 13 years old.
6. Return this Monthly Reimbursement Form via Regular U.S. MAIL to: VERIZON, DCRF, 15 Chestnut St Floor 3 Worcester, MA 01609

## **Frequently Asked Questions and Answers**

### **Q: How do I prove my prior year's total family income?**

A: For purposes of the Fund, your gross household income equals your total income. If you and your spouse live together but file separately, you must add together the total income figures from each of your tax returns to get your total household income. All W-2 forms used for the 1040 form must also be submitted for verification, this includes your spouse's W-2's and 1040 form if you are married, live together and file separately.

### **Q: What if I don't have copies of my tax returns and W-2's?**

A: Applications will not be considered without supporting tax information. A transcript is not acceptable. Copies of your tax return can be requested from the IRS. Copies of your W-2's can be requested from your employer's payroll department.

### **Q: What does it mean that I pay for dependent care in order to work?**

A: Under federal law, you (and your spouse, if applicable) need to be working during the hours your dependents are in care in order to make this benefit tax-free. The only exceptions are when your spouse is a full-time student, is actively seeking work, or is physically or mentally incapable of self-care. In this case, special rules apply and you may want to seek further guidance about your particular situation.

### **Q: Who is considered a dependent?**

A: See Page 4, "Who are my eligible dependents covered by the Fund?" for the definition of a dependent.

### **Q: Am I eligible to participate in the fund if I have a lifestyle change?**

A: In the event of a significant lifestyle change, such as a divorce or death of a spouse, your eligibility will be determined by the New England Work and Family Committee. Follow application guidelines, and include a divorce or death certificate as applicable.

### **Q: Am I still eligible to participate in the Fund if I (or my spouse) receive a raise after enrollment and our family income exceeds \$125,000?**

A: Your eligibility will be based on your total household income from the prior year. As long as your prior total household income meets the income guideline, you can participate in the Fund within the award period.

Employee income eligibility will be re-verified in May using the previous year's tax return information. For example, all participating employees in the Fund will need to submit their prior year's tax return information in May of the current year. Employees exceeding the household income limits will not continue to be reimbursed through the Fund.

### **Q: I am enrolled and eligible but no longer wish to participate, what should I do?**

A: Send written notice of withdrawal to: Verizon/IBEW Work and Family Staff, 15 Chestnut St Floor 3 Worcester, MA 01609

### **Q: My spouse is also a Verizon employee. If we meet the income eligibility requirements can we both participate in the Fund?**

A: No, if both spouses work for Verizon, the family can only be reimbursed once for care. Remember, this also holds true for shared custody and separation. Be sure to send legal documentation to the Work and Family Staff.

### **Q: What is the difference between the (Dependent Care Spending Account) DCSA and the (Dependent Care Reimbursement Fund) DCRF?**

A: Under the Dependent Care Spending Account you may reduce your take home pay by setting aside a portion of your income to pay for dependent care expenses. You do not pay taxes on the amount you set-aside from your take home pay. Any amount you set-aside but do not use for dependent care by the end of the year it cannot be refunded to you. The total amount that the IRS allows you to set aside and be tax-free is \$5,000 (\$2,500 if you and your spouse file separate tax forms). Contact the Verizon Benefit Center for more information. **The Work and Family Committee or Staff does not handle the DCSA.**

**Q: Can I participate in both the Reimbursement Fund and the Spending Account?**

A: Yes. Eligible employees can be reimbursed through the Fund AND set-aside a portion of their income in the Spending Account and not pay any taxes, up to a combined total of \$5,000. For example, if you anticipate collecting \$2400 for the next year from the Fund, then you and your spouse would not want to put more than \$2600 in the Dependent Care Spending Account (or similar fund for your spouse) for that year, if you want to avoid having to pay taxes on amounts over \$5,000. Any amount over the \$5,000 maximum per family per year is subject to taxes. Remember any reimbursement in excess of the IRS allowed tax-free level is subject to additional taxation depending on how you file your taxes. Since tax situations vary by each employee, Verizon is not responsible for notifying employees or calculating for employees when the reimbursement exceeds the tax-free benefit allowed by the IRS and becomes taxable income.

**Q: What if I'm not part of the IBEW? I belong to the CWA or Local 2213?**

A: The Fund was negotiated specifically to cover New England IBEW, and non-bargained and management employees located in New England (excluding VIS). If you belong to the CWA or Local 2213, you can contact the administrators of that Fund. Check the list below for eligible Fund participants.

Verizon/IBEW Fund

- \* Management (New England)
- \* Non-bargained (New England)
- \* IBEW (New England)

Verizon/CWA Fund

- \* Management (New York)
- \* CWA (New York and New England)
- \* VIS (New York and New England)
- \* IBEW (Local 2213 only)

**Q: What if my position changes from being a member of the IBEW to a non-Fund covered position?**

A: If a position change impacts the Fund in which you should belong (as listed above), you must contact the Fund administrator.

**Q: Both my spouse and I are Verizon employees, can we both participate and each be reimbursed for dependent care?**

A: No, Fund reimbursement is limited to one award per family, not employee.

**Q: When does reimbursement for the care of my 13-year-old end?**

A: Reimbursement ends on the last day of the month prior to the month in which they turn 13 years old.

**Q: My 11 year-old children will be going away to camp for two weeks next summer. Can I be reimbursed for this care?**

A: No. Federal law provides that expenses for **overnight** camp may not be reimbursed by the Fund. However, expenses for day camps during school vacations (including summer vacation) are eligible for reimbursement, as long as you can provide the tax ID of the day camp, and the day camp is legally operating. This fund is so you can go to work.

**Q: If my spouse is disabled or simply does not work, can I participate in the Fund?**

A: Yes, as long as your spouse is physically or mentally incapable of self-care, qualifies as your dependent for federal income tax purposes, and lives in your home.

If your spouse is a full-time student, or is actively seeking work i.e. unemployment, you may participate in the Fund. If your spouse is not working for other reasons, you are not eligible to participate in the Fund. Special rules may apply in these situations and you should speak to your tax advisor regarding your circumstances.

**Q: I claim my grandfather as a dependent on my federal income tax return. He lives alone, and requires someone to come into his home to provide care. Can I be reimbursed for part of this expense?**

A: No, the law provides that your dependent must live in your home in order to be eligible for reimbursement of your care expenses.

**Q: My father is in a nursing home, and I help pay for this care. Can I be reimbursed for part of this expense?**

A: No, the law provides that out-of-home care cannot be reimbursed unless your dependent lives in your home.

**Q: My grandchildren live with me and I pay for their child care while I work. Can I participate in the Fund?**

A: Yes, as long as you claim them as dependents on your income tax return or have custody of them for more than one-half of the year, and have the social security number or tax ID number of your child care provider.

**Q: My mother currently cares for my children in my home while I work. Can I continue this arrangement and participate in the Fund?**

A: Yes, as long as:

1. You pay for the care.
2. You do not claim your mother as a dependent on your tax return, and
3. Your mother is licensed as or legally operating as a child care provider (see page 5) “When should my provider be registered or licensed?” for the requirements in your state).
4. If not licensed but meet requirements, the provider must report these monies to the IRS as income.

**Q: I take my children to a neighbor’s house while I work. She cares for my children and her own children. Can this type of care be reimbursed under the Fund?**

A: Yes, as long as your neighbor meets all state regulations covering family child care homes. Some states may require that she be licensed or registered, while others do not (see page 5).

**Q: What is the difference between a licensed provider and a legally operating provider?**

A: Each state has regulations on what type of child care must be licensed. Some types of care do not need to be licensed, but are still considered legally operating. For example, care by a relative in most states is considered legally operating and does not need to be licensed. See page 5 “When should the provider be registered or licensed?” for the requirements in your state.

**Q: What if my provider is not licensed but according to state law should be?**

A: IRS regulations for the Fund require that dependent care services meet local regulations. Expenses incurred for care not meeting this requirement are ineligible for reimbursement.

**Q: The enrollment form asks for personal information. Who will see this information?**

A: The information you provide in your enrollment materials will be kept confidential. The only people who will see the completed forms will be those directly involved in the administration of the program.

**Q: If I have dependent care expenses, how do I start receiving money from the subsidy program?**

A: A completed enrollment application must be submitted and your participation approved before you may begin to submit monthly claims for reimbursement.

**Q: Do I have to re-enroll into the Program each year?**

A: Yes. Employees approved to participate in the fund must provide income verification through IRS tax return forms and W-2 statements in May of each year for the prior tax year.

**Q: Do I need to submit a receipt in order to receive reimbursement for dependent care expenses if I use a provider which meets legal requirements but is not licensed?**

A: Reimbursements will not be approved without a completed **Request for Reimbursement Monthly form (Page 13)** from the employee and the provider's signature or receipt. Only forms filled out in ink bearing original signatures will be accepted. Retain copies of your submitted claims for your records.

**Q: What if my provider will not give me her social security number or tax identification number?**

A: You cannot participate in the Fund unless you provide the dependent care provider's name, address, and social security or tax identification number on the Enrollment Application and Employee Request for Reimbursement Monthly form. If you wish to change providers, Verizon VZ Life program will assist you in finding alternative care arrangements. You can reach VZ Life by calling 1-800-845-0632.

**Q: How often do I need to complete and submit a Request for Reimbursement Form?**

A: The Monthly Reimbursement Form must be submitted to the Work and Family Staff by the second Friday of the month, for the prior month's expenses. Blank claim forms can be reproduced locally. You should keep copies of your dependent care claim receipts for your records. In order to receive payment for the prior month, applications must be received by the second Friday of every month.

**Q: What if my child has 2 or more providers in the same claim period?**

A: If a dependent has 2 or more providers in the same claim period, and the total reimbursement claim for both providers is less than the maximum amount for the month, a separate Monthly Reimbursement Form must be completed for each provider and submitted to the Work and Family Staff.

**Q: If I'm not at work because of vacation, scheduled days off, half days off or other absences, can I still get reimbursed?**

A: No, you and your spouse must both be working in order to be reimbursed through the Fund. You are not eligible when out of work for any reason..

**Q: Do I have to pay taxes on my reimbursement payments from the Fund?**

A: Not if the reimbursement is within the IRS allowed \$5,000 limit per household.

**Q: How do I know how much I've been reimbursed?**

A: You should keep copies of your reimbursement requests for your records. Additionally, in each paycheck that you receive Fund reimbursement the amount of reimbursement for that paycheck plus the year to date total will be shown. **Do not call Work and Family Staff for that information.**

**Q: Can I claim the child and dependent care tax credit on my personal income tax return if I participate in the Fund?**

A: Expenses that are eligible to be used to calculate your tax credit must be reduced by amounts received from the fund and by non-taxable dependent care benefits you and your spouse receive from other sources. **Consult your tax advisor for clarification.**

**Q: It is February and I want to participant in the Fund, which years tax return and W2 do I send?**

A: The program year runs from May 1- April 30. You would submit the documentation for the year prior of the start of the plan year.