

DEPENDENT CARE WORKSHEET

ESTIMATE YOUR SAVINGS

The following worksheets allow you the opportunity to compare the tax savings available through the Dependent Care Reimbursement Account vs. Federal Income Tax Credit. The general rule of thumb is that if your adjusted gross family income exceeds \$33,000, you will receive a greater tax savings through the Dependent Care Reimbursement Account. For most taxpayers, the Dependent Care Reimbursement Account results in greater tax savings.

Federal Income Tax Credit Worksheet

1. The amount of expenses for dependent care
(Cannot exceed your income or that of your spouse, whichever is less) \$ _____
2. Maximum expenses eligible for tax credit (**Tax Years After 12/31/02**)
(\$3,000 for one dependent: \$6,000 for more than one dependent) \$ _____
3. Estimated adjusted gross income for you and your spouse \$ _____
4. Percentage from table below based on adjusted gross income _____ %
5. Estimated tax credit (multiply line 4 by the smaller of line 1 or line 2) \$ _____

Adjusted Gross Income	Percentage	Adjusted Gross Income	Percentage	Adjusted Gross Income	Percentage
Up to \$15,000	35%	\$25,001-\$27,000	29%	\$37,001-\$39,000	23%
\$15,001-\$17,000	34%	\$27,001-\$29,000	28%	\$39,001-\$41,000	22%
\$17,001-\$19,000	33%	\$29,001-\$31,000	27%	\$41,001-\$43,000	21%
\$19,001-\$21,000	32%	\$31,001-\$33,000	26%	\$43,001 and Over	20%
\$21,001-\$23,000	31%	\$33,001-\$35,000	25%		
\$23,001-\$25,000	30%	\$35,001-\$37,000	24%		

If line 6 on the Dependent Care Reimbursement Account Worksheet is larger than line 5 on the Federal Income Tax Credit Worksheet, then the Dependent Care Reimbursement Account should give you a greater tax savings than the tax credit.

Dependent Care Reimbursement Worksheet

1. The amount of deposit to your Dependent Care Reimbursement Account
(Must not exceed your income, your spouse's income, \$5,000, or \$2,500 if married and filing a separate return) \$ _____
2. Your Federal tax rate from the table below
(using combined income for you and your spouse) _____ %
3. Social Security tax rate: Enter 7.65% for earnings up to \$97,500* (2007 limit) _____ %
Enter 1.45% for earnings over \$97,500* (2007 limit) _____ %
4. State and City tax rate** _____ %
5. Total tax rate savings (line 2 + line 3 + line 4) _____ %
6. Estimated tax savings (multiply line 5 by line 1) \$ _____

The table amounts are based on adjusted gross income (after exemptions and deductions). Do not confuse adjusted gross income with gross income. NOTE – Based on 2007 Federal Income Tax Rates.

Federal Tax Rate	Single	Married Filing Jointly
10%	Up to \$ 7,824	Up to \$ 15,649
15%	\$ 7,825 - \$ 31,849	\$ 15,650 - \$ 63,699
25%	\$ 31,850 - \$ 77,099	\$ 63,700 - \$ 128,499
28%	\$ 77,100 - \$ 160,849	\$ 128,500 - \$ 195,849
33%	\$ 160,850 - \$ 349,699	\$ 195,850 - \$ 349,699
35%	Over \$ 349,700	Over \$ 349,700

*The Federal Government adjusts this amount annually.

**Deposits to your Dependent Care Reimbursement Account are generally exempt from state and city taxes. This exemption is dependent however, on the state and city in which you reside.

If your contributions to your Dependent Care Reimbursement Account are less than the amount of your actual dependent care expenses, you may use the Federal Income Tax Credit for the balance; however, the total amount of your expenses reimbursed under the plan and those claimed on the Tax Credit cannot exceed the limits set forth in the Tax Credit (\$3,000/\$6,000).