

DCRAs

Dependent care reimbursement accounts

TAX-SAVINGS FOR DEPENDENT CARE

Why DCRAs?

- Pay for dependent care with tax-free dollars
- Can reduce your taxable income amount

To qualify, the dependent care used must be essential for you and a spouse (if applicable) to work, look for work or attend school full-time.



How it works

With a DCRA, you are able to make pre-tax payroll contributions to pay for dependent care expenses.

- 1** Determine the amount you would like to contribute for the year. The maximum annual DCRA contribution allowed is \$5,000 per household. Unlike medical flexible spending accounts, your annual DCRA funds are not available up front. Funds are only accessible as they are deposited with each payroll deduction.
- 2** Pay dependent care costs out-of-pocket.
- 3** Submit for reimbursement either through the HealthEquity member portal, or by using the DCRA Reimbursement Form.
 - Recurring DCRA claims can be scheduled for the duration of the plan year. For more information, contact our account mentors at 866.346.5800.

Use it or lose it

DCRA funds do not roll over from year to year. You must use DCRA dollars within the plan year or they will be forfeited.



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Qualified dependents

To be considered qualified, dependents must meet one of the following criteria:

- Children under the age of 13
- A spouse who is physically or mentally unable to care for him/herself
- Any adult you can claim as a dependent on your tax return that is physically or mentally unable to care for him/herself



Eligible expenses¹

- Babysitter inside or outside household
- Before and after school or extended day programs
- Custodial childcare or eldercare expenses
- Day camps
- Daycare centers
- Household employee whose services include care of a qualifying person
- Late pick-up fees
- Looking for work-expenses
- Nanny expenses
- Preschool/nursery school for pre-kindergarten
- Sick-child care center
- Summer day camps

Ineligible expenses¹

- Educational/tuition expenses
- Expenses paid to child of participant
- Field trip expenses
- Food, clothing, education or entertainment expenses
- Household services
- Incidental expenses
- Overnight camp
- Payments for care where you are not the custodial parent
- Payments for care while on a leave of absence, maternity or other medical leave
- Payments for care while you are on vacation or due to illness
- Payment for services not yet provided

Remember

Save all receipts for reimbursement and validation of expenses. HealthEquity offers an easy-to-use documentation library that allows you to upload and store receipts within the member portal.

¹ See the complete regulations and list of qualified and non-qualified medical expenses in IRS Publication 503 – Child and Dependent Care Expenses.