

# 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.

**HealthEquity**<sup>®</sup>

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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 expenses<sup>1</sup>

- 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 expenses<sup>1</sup>

- 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.

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