What You Should Know About DEPENDENT CARE REIMBURSEMENT
What is a Dependent Care Reimbursement Plan?
A Dependent Care Reimbursement Plan is a pre-tax benefit account used to pay for dependent care services like preschool, summer day camp, before or after-school programs, and child or elder daycare services.
Who Qualifies for a Dependent Care Reimbursement Plan?
• **A dependent child** under the age of 13 who lives with you for more than half of the year.

• **An adult tax dependent**, such as a parent, who is not able to care for themselves and who lives in your home a minimum of eight hours a day.
How a Dependent Care Reimbursement Plan Works.
Step 1

Estimate how much you spend on eligible dependent care expenses each year. Then decide how much you need in your account.
Sign up for your Dependent Care Reimbursement Plan during your open enrollment period.

The amount you elect will be split among 24 pay periods. The money is taken out of your paycheck before taxes and is deposited into your account.
When funds are in your account, you can pay for eligible dependent care services. Log in to your account at wageworks.com to find a full list of eligible dependent care expenses.
IMPORTANT

You can only use this program if you do not use the Child Care Tax Credit.

Please note you may not participate in both programs.
Add Up Your Savings

In the example, let’s say you earn $45,000 per year and decide to put $5,000 into the DCRP to pay for dependent care you expect to incur in the next 12 months. You can save $750 by lowering your taxable income, and paying less tax.

### Example of Tax Savings

<table>
<thead>
<tr>
<th>Annual Tax Savings Example*</th>
<th>With DCRP</th>
<th>Without DCRP</th>
<th>Your Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>If your taxable income is:</td>
<td>$45,000</td>
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</tr>
<tr>
<td>You deposit this annual amount into your DCRP:</td>
<td>-$5,000</td>
<td>$0</td>
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</tr>
<tr>
<td>Your taxable income is now:</td>
<td>$40,000</td>
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<td>Subtract Federal and Social Security Taxes: *</td>
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<td>-$5,971*</td>
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<td>If you spend after-tax dollars for eligible expenses:</td>
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<tr>
<td>Your net take-home pay is:</td>
<td>$34,779</td>
<td>$34,029</td>
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</tr>
<tr>
<td>Your tax savings is:</td>
<td>$750</td>
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Without the **DCRP**, you pay taxes on every dollar you earn, and then you pay for dependent care expenses. With **DCRP**, you can set aside a portion of each paycheck before taxes are calculated, so the taxes you owe should decrease.

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Dependent Care Reimbursement Plan

Minimum Contribution $500.00

$2,500 per year if you are married and file a separate tax return.

$5,000 if the employee is married and filing a joint tax return or if the employee is a single parent.
Enroll or re-enroll using the Employee Self Service Portal at portal.houstontx.gov
Click Open Enrollment Link.
You will need your user ID and password.
To reset your password contact HITS at 832-394-4487
Easy to Use Tools to File a Claim or Submit a Receipt for Dependent Care Reimbursement Plan
Option 1

Online Account: wageworks.com

- Click “Submit Receipt or Claim.”

- Select “Pay Me Back” or “Pay My Provider” from the menu.

- Follow the prompts.

- Provide a receipt or other supporting documentation.
Option 2

WageWorks EZ Receipts® App

• Download the App from the App Store or Google Play.

• Click “Submit Receipt or Claim.”

• Request “Pay Me Back” or “Pay My Provider” from the menu.

• Follow the prompts.

• Download a photo of your receipt or other supporting documentation.
Dates to Remember

2021 OPEN ENROLLMENT

Begins
- Nov 2, 2020

Ends
- November 30, 2020

New Coverage Begins
- January 1, 2021
Enrollment Assistance
Contact Benefits Division
Email: benefits@houstontx.gov
Phone: 832-393-6000
Web address: www.cityofhoustonbenefits.org