

A photograph of three children playing outdoors. On the left, a boy in a plaid shirt reaches up. In the center, a boy in a blue denim shirt smiles with his hands raised. On the right, a girl in a white lace-trimmed shirt laughs with her arms raised. Bubbles are floating around them. The background is a soft-focus outdoor setting with trees and sunlight.

What You Should Know About

DEPENDENT CARE REIMBURSEMENT

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 it Works

Step 1: Estimate how much you spend on eligible dependent care expenses each calendar year. Then decide how much you need in your account.

Step 2: Sign up for your Dependent Care Reimbursement Plan during your open enrollment period. The amount you elect will be split among 12 months. The money is taken out of your paycheck before taxes and is deposited into your account.

Step 3: 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.

* January - December

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.

Disclaimer: The term "savings" herein refers only to tax savings and actual savings are dependent on individual tax rates. No part of this document constitutes tax, financial, or legal advice. Please consult your advisor regarding your personal situation and whether this is the right program for you.

Easy to Use Tools

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.
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- When you're done, WageWorks will process your claims and schedule your payment.
 - Sign up for email texts and alerts. That way you can know the progress of each claim.

Dependent Care Reimbursement Plan (DCRP)



Add Up Your Savings

In the example below, 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.


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.

Dependent Care Reimbursement Plan Savings Worksheet

Example of Tax Savings

Annual Tax Savings Example*	With DCRP	Without DCRP	Your Family
If your taxable income is:	\$45,000	\$45,000	
You deposit this annual amount into your DCRP:	-\$5,000	\$0	
Your taxable income is now:	\$40,000	\$45,000	
Subtract Federal and Social Security Taxes: *	-\$5,221*	-\$5,971*	
If you spend after-tax dollars for eligible expenses:	\$0	-\$5,000	
Your net take-home pay is:	\$34,779	\$34,029	
Your tax savings is:	\$750	\$0	

Dependent Care Reimbursement Plan Contribution Limits Minimum Contribution \$500

 **\$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.

Deadline to submit claims for 2019 plan year is 3/31/20



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Houston, TX 77002

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Contact Us:

Human Resources Benefits Division
benefits@houstontx.gov
832-393-6000
www.cityofhoustonbenefits.org

Dependent Care 2020 Open Enrollment Meeting



For more information about Dependent Care Reimbursement, join us at a Dependent Care Reimbursement meeting.

Thursday, October 24, 2019

1 p.m. – 2 p.m.

611 Walker St. 6th floor Skyline Conf Room #604.5, Houston, TX 77002

SIGN UP TODAY!

- Enroll using the Employee Self Service Portal at portal.houstontx.gov
- Click the Open Enrollment link
- You will need your user ID and an active password.
- To reset your password contact HITS at 832-394-4487.

2020 OPEN ENROLLMENT

- **Begins**
October 14, 2019
- **Ends**
November 8, 2019
- **New Coverage Begins**
January 1, 2020

