





Dependent Care Reimbursement Plan 2025 October 28 – November 22, 2024



What you should know about **Dependent Care Reimbursement Plan**

Important Announcement 2025



- The City of Houston made changes to enhance the Dependent Care Reimbursement Plan last year.
- ALL funds pledged will be deposited in the account on the day you receive your paycheck.

What is a Dependent Care Reimbursement Plan?

A Dependent Care Reimbursement
Plan (DCRP) 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.





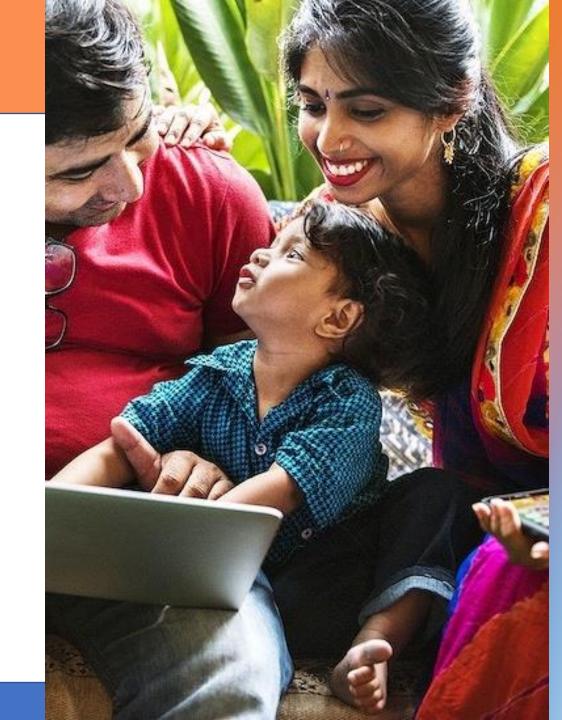
How a Dependent Care Reimbursement Program Works

Step 2

 Sign up for your Dependent Care Reimbursement Plan during open enrollment.

 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.





How a Dependent Care Reimbursement Plan Works

Step 3

- When funds are in your account, you can pay for eligible dependent care services.
- Log in to your account at tasconline.com to find a full list of eligible dependent care expenses.
- The deadline to submit claims for plan year 2024, is March 31, 2025.







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.
- To enroll log into: <u>www.HROneconnect.houstontx.gov</u>
- For assistance call Benefits at 832-393-6000
- Reset your password contact HITS at 832-394-4487

Savings

\$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		
Annual Tax Savings Example*	With DCRP	Without DCRP
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 <i>,77</i> 9	\$34,029
Your tax savings is:	\$750	\$0



Worksheet

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.

Example of Tax Savings		
Annual Tax Savings Example*	With DCRP	Without DCRP
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:	\$ <i>7</i> 50	\$0



Dependent Care Reimbursement Program Contribution Limits



\$500 Minimum Contribution



\$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.



How to Enroll



Visit HROne Connect:

https://hroneconnect.houstontx.gov



Under **Organizational Updates**, choose the **Dependent Care Reimbursement Plan** tile.



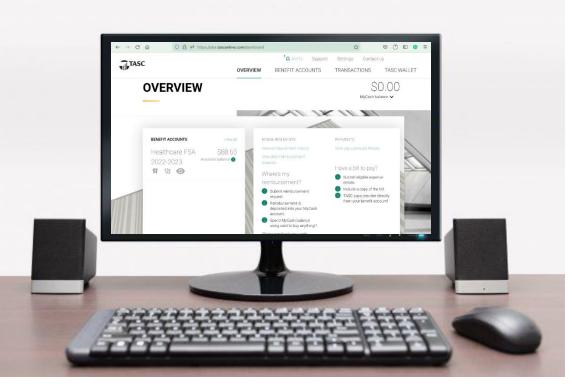
If you need to reset your password, contact HITS at 832-394-4487





Easy to Use Tools

Online Account: tasconline.com



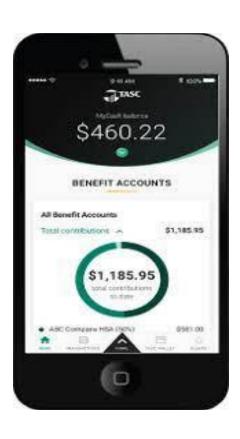


Option 1

- Select "Request a Reimbursement Online"
- Select who the expense was incurred by and the date of the expense
- Enter the expense amount and the merchant
- Attach the receipt(s) and a description of the expense.
- Click "Next" to review your request, and then "Submit"

Easy to Use Tools

TASC Mobile App



Option 2

- Download the TASC Mobile App.
- Select "Picture to Pay" and a camera window will pop up
- Take a picture of the invoice, enter the amount you would like to pay
- Review and submit your request
- When you're done, TASC 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.



DCRP Rules



- Enrollment is required each year. You must re-enroll during each DCRP Open Enrollment if you want to continue this benefit.
- You cannot change DCRP contributions during the January to December plan year unless you have a qualifying event.
- IMPORTANT: DCRP should not be confused with the Health Flexible Spending Account (HFSA). These are two different programs. HFSA is for eligible healthcare expenses and available during open enrollment each spring. DCRP is for eligible dependent care expenses. You cannot file healthcare claims with DCRP.



Opportunities to Enroll in DCRP

Employees may enroll each November with a January 1st effective date.

If an employee experiences a Qualifying Life Event (birth or adoption) within 31-days of the event.





2025 Dependent Care Reimbursement Program Open Enrollment







BEGINS OCTOBER 28, 2024

ENDS NOVEMBER 22, 2024

NEW COVERAGE BEGINS JANUARY 1, 2025



TEAMS Meeting Dates

Thursday, Nov. 7, 2024

11 a.m. - noon

cohemployees.org/DCRP11-7-24

Tuesday, Nov. 19, 2024

2 p.m. - 3 p.m.

cohemployees.org/DCRP11-19-24

Microsoft Teams



Benefits Division

To enroll, log into HROne Connect: https://hroneconnect.houstontx.gov, under *Organizational Updates*, choose the **Dependent Care Reimbursement Plan** tile.

Email: benefits@houstontx.gov

For assistance call Benefits 832-393-6000 and press the prompt for your department.

Web address: www.cityofhoustonbenefits.org

Email: benefits@houstontx.gov

Contact HITS to reset your password: 832-394-4487

