



Dependent Care FSA Plan Year 2021

TexFlex dependent care flexible spending account (FSA)

The dependent care FSA lets you set aside money on a pre-tax basis for eligible out-of-pocket dependent care expenses.

Dependent care is more than just child care.

Although a large portion of those participating in a dependent care FSA use the funds for child care expenses, funds are also available for adult and elder day care. If you have a spouse or another tax-dependents who need assistance with daily living and who lives in your house at least eight hours a day, you can use your dependent care funds to pay for those services.

Contribution limits

Because the dependent care FSA is a pre-tax benefit, the IRS limits the amount you can contribute to your account. The limits are determined each year by the IRS. The annual minimum contribution amount is \$180 and the annual maximum contribution amount is \$5,000. You will not have access to your funds until they are deposited into your account.

How do I enroll?

All benefits-eligible active employees can enroll in, make changes to or cancel dependent care FSA accounts within 31 days of their hire date, during Summer Enrollment or within 31 days of a qualifying life event. Log in to your ERS account and elect the annual contribution amount you would like deducted from your paycheck each month. Your contribution will be deducted from your paycheck each month.

The Consolidated Appropriations Act allows for the following changes:

- Any unused funds remaining in your dependent care FSA can be carried over for use into the next plan year. This will eliminate the need for a grace period because the money can be used in the next plan year.
- You may continue submitting claims to use your remaining balance even after you end employment.
- You can make changes to your FSA annual contribution at any time during the plan year without a QLE. You cannot reduce your annual contributions to an amount less than your year-to-date contributions or reimbursements.

- If you had a qualifying dependent who turned (or will turn) 13 during the 2020 or 2021 plan years, you can submit claims for that child until he or she turns 14. To qualify for this relief, enrollment in the dependent care FSA prior to January 31, 2020 is required.

How can a dependent care FSA save me money?

A dependent care FSA lets you set money aside for eligible dependent care expenses before taxes are taken out of your paycheck, which lowers your taxable income.

Savings example

Annual Savings*	with TexFlex	Without TexFlex
Annual pay	\$50,000	\$50,000
TexFlex pre-tax contribution	(\$2,000)	\$0
Taxable income	\$48,000	\$50,000
Federal income, Social Security & Medicare taxes	(\$10,966)	(\$11,616)
After-tax dollars spent on eligible expenses	\$0	(\$2,000)
Real spendable income	\$37,034	\$36,384
Annual Savings	\$650	\$0

*Sample tax savings for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

What if I don't use all of my dependent care FSA funds?

Any unused funds remaining in your Plan Year 2021 FSA can be carried over into Plan Year 2022. You have until August 31, 2021 to file Plan Year 2021 claims.

What can I purchase with my dependent care FSA funds?

The following are eligible dependent care FSA expenses:

- adult day care expenses,
- expenses for a housekeeper whose duties include caring for an eligible dependent,
- child care (at a daycare center, day camp, sports camp, nursery school or by a private sitter),
- before and after-school care (must be billed separately from tuition) and
- placement fee expenses and stipend for an au pair.

TexFlex participant support

TexFlex Customer Care:

(844) 884-2364 (toll-free)
TTY: 711
Monday - Friday
7 a.m. - 7 p.m. CT

Claims fax:

(866) 643-2219
(toll-free)

Mail:

WageWorks, Inc.
5200 Commerce Crossings
Suite 100
Louisville, KY 40299

Website:

www.TexFlexERS.com

DISCLAIMERS

Actual tax savings depends on your individual circumstances. Please consult a tax professional for more information. Neither WageWorks nor ERS engage in rendering legal or tax services. Any guidance given in this communication is not legal or tax advice. Information contained herein is merely guidance that, at your discretion, you may or may not use in making decisions. If legal or tax advice is desired or required, the services of legal counsel or a tax professional are recommended.