



## Dependent Care Flexible Spending Account (DCA)

**IT'S YOUR MONEY SO WHY NOT KEEP MORE OF IT?**

Your Estimated Tax Savings			
WITHOUT Dependent Care FSA		WITH Dependent Care FSA	
Gross Annual Pay	\$60,000	Gross Annual Pay	\$60,000
Average Tax Rate (30%)	- \$18,000	Max Annual DCA Contribution (PRE-TAX DEDUCTION)	-\$5,000
Net Annual Pay	= \$42,000	Adjusted Gross Pay	= \$55,000
Annual Dependent Care Expense	-\$5,000	Average Tax Rate (30%)	- \$16,500
Final Take Home Pay	= \$37,000	Final Take Home Pay	\$38,500
TAKE HOME THIS MUCH MORE WITH A DEPENDENT CARE FSA			<b>\$1,500</b>

*All figures in this table are estimates, and based on an annual salary of \$60,000 and maximum contributions to the benefit account. Your salary, tax rate, dependent care expenses, and tax savings may be different.*

### How Does a Dependent Care Account Work?

A DCA is a pre-tax saving account which the IRS allows you to put funds into. You can then use these funds for qualified dependent care expenses, such as **preschool, summer day camp, before or after school programs, and child or adult daycare**. You may choose to enroll in the DCA through your employer, which is administered by HRCTS. Complete the election form indicating how much you would like to withhold from your payroll on a pre-tax basis. It is a smart, simple way to save money while taking care of your loved ones so you can continue to work.



**SAVE** money, while  
caring for the ones you  
**LOVE!**

### Guidelines

*\*You must follow the guidelines set below in order for your dependent care expense to be eligible for reimbursement.*

1. Dependent care expenses cover qualified dependent children 12 or younger, or a spouse/tax dependent who is mentally or physically incapable of caring for themselves.
2. Dependent care expenses incurred must allow a single parent or both married parents to be gainfully employed or attend school full time during the time the child is being taken care of.
3. Your dependent must live in your home for at least 8 hours each day.
4. Any day care center or program must meet the state and local requirements in order to be eligible.
5. A babysitter can watch the dependent inside or outside the home, as long as the sitter is at least 19 years of age, and is not your spouse or someone you claim on your tax return as a dependent.



## Dependent Care Flexible Spending Account (DCA)

### How Do I Access My Funds?

There are two ways for you to access the funds in your Dependent Care Account!

- **VISA Debit Card** – HRCTS will provide you with a smart debit card which you can present at the day care facility you use if they accept credit cards as a form of payment. Always keep a receipt of payment to verify the expense. *You can only use your card for the amount you have in your account.*
- **Submit a manual claim** – You can also submit a claim online, via fax, mail, or mobile app. You can submit your claim three ways.
  - Submit a completed claim form with your provider's signature. (no receipt required)
  - Submit one claim form with your provider's signature or receipt at the beginning of the year for the whole year if you have the same expense all year.
  - Submit a completed claim form with an itemized receipt including: service start and end date, description of service, provider, expense amount, tax ID #, and the dependent receiving the service.



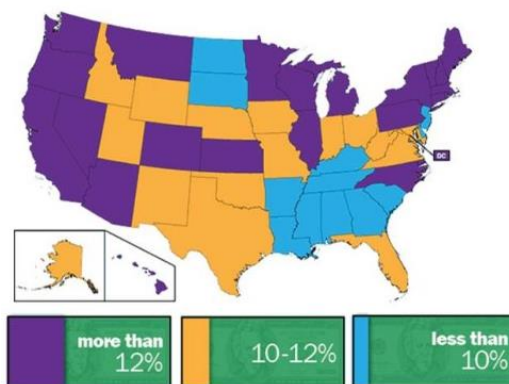
### CALCULATE HOW TO SAVE BELOW!

*You can use this worksheet to estimate how much you want to elect into your DCA.*

Weekly Dependent Care Expenses	
Preschool	\$ _____
Daycare	\$ _____
Babysitting	\$ _____
After School Program	\$ _____
Before School Program	\$ _____
Custodial/Adult Care	\$ _____
Disabled spouse/Dependent Care	\$ _____
<b>Total Estimated Weekly Expense</b>	<b>\$ _____</b>
<b>Total Weekly Election x 52 = Annual Election</b> \$ _____ x 52 = \$ _____	
<b>Annual Election ÷ # Pay Periods = Payroll Deduction</b> \$ _____ ÷ _____ = \$ _____	

### Average Cost for an Infant in a Center

*As a % of a Married Couple's Median Income*



Source: Parents and the High Cost of Child Care: 2013 Report

The amount you put into an DCA is called an "election," and your election cannot be more than the maximum amount set by the IRS. Currently, the maximum amount is \$5,000 each plan year. There is also a \$5,000 maximum per family per calendar year. However, if you're married and file separate tax returns, the maximum is \$2,500.



## Dependent Care Flexible Spending Account VS. Federal Dependent Care Income Tax Credit

Before deciding whether to use the Dependent Care Account, you should compare its benefits with those of the Federal Dependent Care Income Tax Credit. The tax credit applies to the same expenses that are eligible for reimbursement through the dependent care account. However, there are differences between the two tax benefits.

The tax credit allows you to reduce your federal income tax by a percentage of dependent care expenses actually paid during the year. The amount of expenses which may be taken into account for purposes of the credit may not be more than your salary, your spouse's salary (if applicable), \$3,000 if you have one dependent, or \$6,000 if you have two or more dependents; whichever is least. The \$3,000 and \$6,000 limits are reduced, dollar for dollar, by any amounts excludable from your gross income during the year. In addition, you cannot claim the federal tax credit for expenses paid from your dependent care account. The percentage of eligible dependent care expenses for which you may claim a federal income tax credit depends on your (and your spouse's) adjusted gross income for the year, as reported on your federal income tax return.

Special rules concerning marital status apply to people who claim the income tax credit. For example, if you are married and not legally separated at the close of the tax year, you can claim the credit only if you file a joint tax return.

The determination of whether the dependent care credit is more beneficial to you than using the dependent care account depends on many factors including, for example, (1) the amount of your dependent care expenses, (2) your (and your spouse's) gross income, and (3) current income and social security tax rates. In general, if your entire taxable income is subject to tax at the 15% rate for federal income tax purposes, particularly if you and your spouse's adjusted gross income for the year is \$28,000 or less, the tax credit may be more beneficial. If, on the other hand, a portion of your federal taxable income is subject to tax at the 28% rate, in virtually all cases use of the dependent care account will provide you with a greater tax benefit than the federal tax credit.

This is not intended to be tax advice provided by HRC Total Solutions. Please consult your tax adviser for further information and assistance.

**Contact Customer Service:** Monday – Friday 8: 30am-7:30pm EST

 (603) 647-1147 Option 1  (866) 978-7868  [customerservice@hrcts.com](mailto:customerservice@hrcts.com)  LiveChat



## DEPENDENT CARE ACCOUNT (DCA) CLAIM AND RECEIPT SUBMISSION

To complete a Dependent Care Account reimbursement request (a claim), you have the following options:

### There are two reimbursement options.

1. Pay with your DCA debit card and submit an itemized receipt for substantiation.
2. Pay out of pocket and submit for reimbursement using the claim form with the provider's signature. The claim can be submitted via mail, fax, email, mobile app, or online via the participant portal.

### Completing a Universal Claim Form:

- Submit a claim form using code "D" for DCA claim.
- When the claim form is signed by your provider, it serves as substantiation.
- The claim form must be completed entirely, and must have the following information to be accepted for processing:
  1. Service Date (start date & end date)
  2. Description of Service (ex: daycare, summer camp, after school care, adult daycare)
  3. Provider (the name of the merchant or provider who performed the service)
  4. Claim Amount (the total amount for the service)
  5. Tax ID # (or Social Security Number, if the provider does not have a Tax ID)
  6. Signature of Provider

<b>D</b> Claim Code	<b>1</b> 8/10/2016 Start Date of Service	8/10/2017 End Date of Service	<b>3</b> Sally Fields Provider
	<b>2</b> Day Care Description of Service		<b>4</b> \$400.00 Claim Amount
	Tracy Smith Person Receiving Service (Required for HRA)	<b>5</b> 04*0044554 Tax ID (Dependent Care FSA only)	<b>6</b> [Signature] Daycare Provider Signature (Dependent Care FSA only)

**Note:** Please sign the bottom of the claim form authorizing HRCTS to process the claim.

### SUBMIT ONE CLAIM FORM FOR THE ENTIRE YEAR!

YES! You can submit one claim form for the entire elected amount at the start of the plan year.

Complete the claim form with the start and end date of the service. Then in the claim amount box, submit for the full elected amount.

Once received, HRCTS will review to ensure the form is complete with all required information. Once approved, you will then receive payment directly to you via check or direct deposit in the exact amount withheld from payroll.



### Submitting an Itemized Receipt:

If you are submitting a claim form with an itemized receipt (Option 2), please ensure the receipt has the required information below.

### Example of Acceptable Substantiation:

Required Information								
1. Date of Service	<table border="1"><thead><tr><th>Dates</th><th>Service Type</th><th>Amount</th></tr></thead><tbody><tr><td>January 4-8, 2001</td><td>Daily Child Care, toddler group</td><td>\$ 375.00</td></tr></tbody></table>		Dates	Service Type	Amount	January 4-8, 2001	Daily Child Care, toddler group	\$ 375.00
Dates			Service Type	Amount				
January 4-8, 2001			Daily Child Care, toddler group	\$ 375.00				
2. Description of Service								
3. Provider's Name								
4. Claim Amount								
5. Tax ID #								
6. Person receiving the service								

**Note:** No additional documentation is required if all 5 items are included on the receipt/documentation from the provider.

### Example of an Unacceptable Substantiation:

Required Information	
1. Date of Service <b>MISSING</b>	<p><b>Receipt Missing Information</b></p> <p>Happy Kids Day Care 125 Main Street Smallville, CA 12345 (999) 555-1313</p> <p>DATE: 01-08-2001    TIME: 05:43PM</p> <p>ITEM: 0041 VIS SALE ACCT: XXXXXXXXXXXX9876 AUTH: 9898</p> <p>TOTAL: \$375.00</p> <p>I AGREE TO PAY THE ABOVE AMOUNT ACCORDING TO CARD ISSUER AGREEMENT (MERCHANT AGREEMENT IF CREDIT VOUCHER)</p> <p>x _____</p>
2. Description of Service <b>MISSING</b>	
3. Providers Name	
4. Claim Amount	
5. Tax ID # <b>MISSING</b>	
6. Person receiving the service <b>MISSING</b>	

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## SET UP YOUR ONLINE ACCOUNT

Go to our Online Account Setup page <http://hrcts.com/setup> for instructions on retrieving your username, creating an account password, and entering new user security questions to complete your online account profile.



**Note:** Your online account will be available to you **within 30 days** of your plan effective date.

If you already have an account you can login directly from <https://employee.hrcts.com>

### TROUBLE ACCESSING YOUR ACCOUNT?

1. Your password must be a minimum of six characters, and is case sensitive.
2. When resetting your password, the answers to your security questions are case sensitive.
3. Password History: Your password must not be one of your last 12 passwords used.
4. Account Inactivity: After 180 days of inactivity, you must follow the password reset process in order to access your account again.

### HRCTS MOBILE APP:

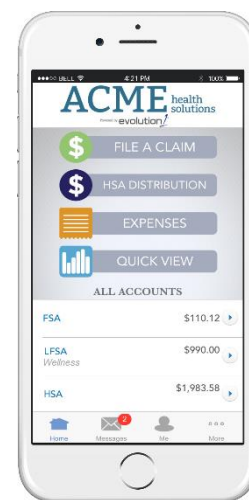
Download the **HRC Total Solutions App** and check your balance and final filing date, submit claims, and upload receipts on any Android or iOS device.

View all claims requiring receipts, and submit new receipts by taking a picture with your mobile device.

### SMS TEXT ALERTS

SMS text message alerts are available for all mobile devices on AT&T, Sprint, Verizon, US Cellular and T-Mobile networks! You can opt in/out via the [Consumer Portal](#) and configure which alerts you prefer to receive by selecting "Update Notification Settings" under the Statements & Notifications tab. Some alert options include:

✓ Claim Confirmation	✓ Receipts Needed for Debit Card Transaction
✓ Claim Denial	✓ Receipt Reminder
✓ HSA Account Summary	✓ Expense Notification



### AUTOMATIC PHONE SYSTEM

- You can access your available balance, final filing date, final service date, eligible amount, and your most recent transactions all from a toll-free automated phone service!
- This service is available 24/7 to all participants enrolled in an FSA, DCA, HRA, or HSA plan. Just select option 6 when calling HRCTS, or you can reach this service directly by calling (877) 415-8093.
- You will need to have a phone number on file in your online account, along with your ZIP code, in order to use this service.



## Dependent Care Account (DCA) Enrollment Form

### I. Account Holder Profile Information

First Name:		Last Name:		SSN:
Date of Birth:		Email Address:		
Mailing Address Line 1:				
Mailing Address Line 2:				
City:		State:		Zip:
Home Phone:			Cell Phone:	
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single		Employer:	

### II. Election

I authorize my employer to make the following pre-tax deductions from my paycheck according to the elections I have chosen below. These elections cannot be changed until the beginning of the next plan year or if I have a qualifying event such as marriage, divorce, death, or birth. I will only submit claims for reimbursement or through my VISA that are eligible. If I am reimbursed for a claim that wasn't eligible, I will be responsible for paying the ineligible amount back into the plan through sending payment or having it deducted from my paycheck.		
Effective Date:		1 <sup>st</sup> Payroll Deduction Date:
Number of Payrolls this plan year: <input type="checkbox"/> 52 <input type="checkbox"/> 26 <input type="checkbox"/> 24 <input type="checkbox"/> 12 <input type="checkbox"/> Other # ____		
Dependent Care Account	Employee Annual Election: \$ _____	Per Pay Period Election: \$ _____

### III. Direct Deposit Setup

Bank Name:		<input type="checkbox"/> Checking <input type="checkbox"/> Savings
Account Number:		
Routing Number:		
Address:		
City:	State:	Zip:

JON SMITH 1234 8th ST. S. FARGO, ND 58102		1200
DATE _____		
PAY TO THE ORDER OF _____		\$ _____
		DOLLARS
MEMO _____		
⑆0123456789⑆ ⑆68590134⑆ ⑆200		
Routing Number		Account Number

### IV. Debit Card

A Debit Card will automatically be issued in the account holders name and shipped to the address above. Once the enrollment is processed it should arrive within 10-14 days.			
<b>Note:</b> To issue separate debit cards to any dependents 18 years of age or older, please complete the following section.			
Name:	DOB:	SSN:	Relationship:
Name:	DOB:	SSN:	Relationship:

### V. Authorization

Signature _____ Date _____		Employer Authorization: _____
<b>**Please be sure to return this form to your employer for approval. **</b>		

# Don't know how to spend your **FSA money?**

Did you know you could use your FSA to save money on everyday health essentials like baby health items, health trackers, pain relief products and more?

**Use your FSA funds or risk forfeiting your money.**



**The largest selection**  
of guaranteed  
FSA-eligible products



**24/7 support,**  
FREE shipping on  
orders over \$50



**Are your health  
needs eligible?**  
Easily check with our  
expansive Eligibility List



**Need an Rx?**  
We'll work with you to  
make getting one easier



**Learning Center**  
Get daily money-  
saving info



**Use your FSA card**  
or any major credit card

**\$10 OFF**

One use per customer

**Want 10 bucks to spend on your health?**

Visit **FSAstore.com/FlyerHRCTS** and  
use code **FCHRCTS10** at checkout.