

HealthEquity® | DCFSA

Turn caregiving into tax savings

[Davenport Community Schools]

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Turn caregiving into tax savings



A Dependent Care Flexible Spending Account (DCFSA) lets you use tax-free money to pay for eligible dependent care expenses.

DCFSA's are never taxed at a federal income tax level when used appropriately for eligible dependent care expenses. Also, most states recognize DCFSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules




Save on eligible dependent care expenses

- 💰 Pre-tax payroll contributions
- 🏠 Fast, convenient payments and reimbursement
- 🔄 Enjoy a full year to spend your account funds




Tax-free contributions

\$50 
earned income




DCFSA
Not taxed
Keep your money
\$50
Spending power


Without an DCFSA
Taxed
\$10 to Uncle Sam
\$40
Spending power

Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status.

Save \$1,500+

Members who contribute the max to their DCFSA can save \$1,500+ each year* on eligible expenses.

\$7,500

x 20%

\$1,500

*The example used is for illustrative purposes only; actual savings may vary. The figure is based on average tax rate of 20%, including state, federal and FICA taxes. Savings based on contributing the maximum family amount.



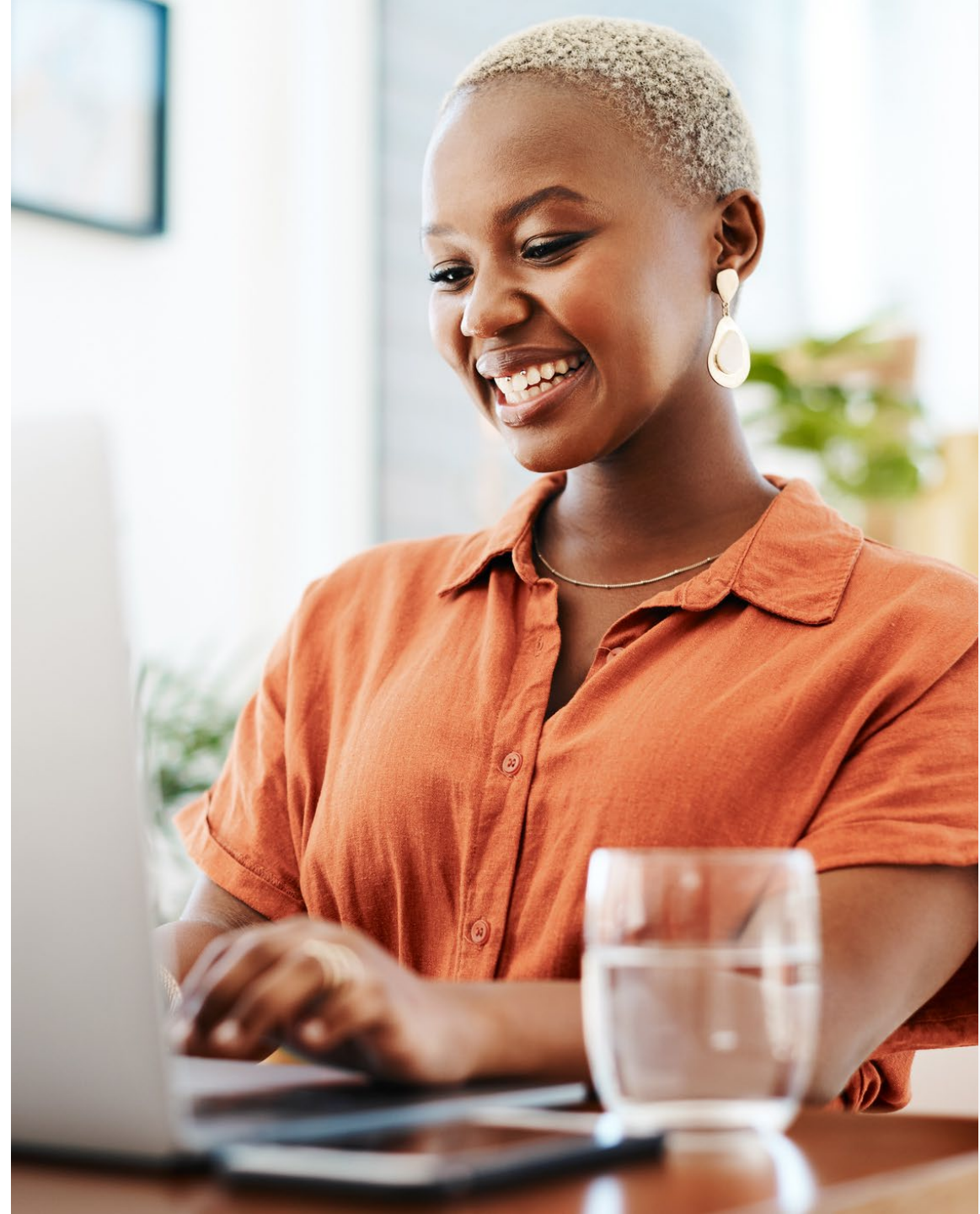


Which of the following is true about your DCFSA funds availability?

- A. Your entire annual contribution amount is available on the first day of the plan year
- B. Your account funds are available only as you make contributions

✔ Answer

B. Your account funds become available as you make contributions.



A DCFSA is compatible with:



Health Savings
Account (HSA)



Healthcare Flexible
Spending Account (HCFSA)



Health Reimbursement
Arrangement (HRA)



A woman with long brown hair, wearing a black and white striped t-shirt, is sitting on a grey couch. She is smiling and looking at a tablet computer. Two young children are sitting next to her. One child, a boy with short brown hair, is looking at the tablet. The other child, a girl with brown hair and a red flower in her hair, is leaning on her hands and looking at the tablet. The couch has several pillows, including a blue one and a white one with a striped pattern. A potted plant is visible in the background.

Determine eligible dependents

Save on DCFSA eligible expenses



Eldercare

- Elder day care
- Work-related custodial elder care



Childcare for children under age 13

- Nanny and au pair services
- Summer day camp
- Preschool
- Babysitting



Care-associated costs

- Transportation costs to and from eligible care
- Late pick-up fees








The more you contribute the more you save

Coverage	2026 Contribution limit	Potential tax savings*
Family	\$7,500	\$1,500

*Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status.

Qualifying life events

-  Marital status
-  Number of dependents
-  Employment status
-  Change in residence
-  New childcare or eldercare provider

Generally these are qualifying life events. Check your plan to determine what are permissible qualifying life events.



Use funds as they accrue

Meet Jacob and Evelyn

Family Plan

They enroll in a DCFSA to pay for afterschool childcare for their kids

They contribute
\$4,000

Their annual tax savings*
\$800

* Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status.



Jacob and Evelyn's DCFSA savings

Using their DCFSA allows them to save money on taxes while helping pay for childcare needs.

Without a DCFSA

- + \$4,000 from paycheck
- \$800 to taxes
- \$2,700 in expenses

\$500

leftover

With a DCFSA

- + \$4,000 from paycheck
- \$0 to taxes
- \$2,700 in expenses

\$1,300

leftover for
summer day camp

Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status.



Meet Scott and Janet

Family Plan

Janet and Scott have Scott's father living with them and claim him as a dependent. He suffered from a stroke and he needs an in-home caregiver.

They contribute
\$7,500

Their annual tax savings*
\$1,500

* Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status.





Save while taking care of your loved ones




What's needed for reimbursement

Documentation that includes the following should be provided:

- ✓ Names of providers
- ✓ Names of persons who received care or service
- ✓ Dates of service or care
- ✓ Descriptions of services
- ✓ Costs of service or care



HealthEquity makes saving easy

-  24/7 Member Services
via call or chat
-  On-the-go access with
our mobile app*
-  Fast, convenient payment
and reimbursement



Get started today!

01

Sign up

- ✓ Enrollment dates:
<<start date>> - <<end date>>
- ✓ Enroll here:
<<add custom URL>>
- ✓ Choose election amount
for the year

02

Contribute

- ✓ Pre-tax through payroll
- ✓ Amount withheld
from each paycheck is
typically equal

03

Access account

- ✓ Register and login at
www.HealthEquity.com/login
- ✓ Submit for reimbursement
via the HealthEquity online
tool or mobile app*
- ✓ Remember to save all receipts

*Accounts must be activated via the HealthEquity website or app in order to use the mobile app.

Questions?

We're here for you 24/7
HealthEquity.com/Learn



Grace period

Up to an additional 2 ½ months

