DCFSA Guide

Dependent Care FSA Benefit

What is a Dependent Care Flexible Spending Account (DCFSA)?

A dependent care flexible spending account is an employer-sponsored pre-tax benefit that allows you to set aside money into separate accounts to pay for qualified non-medical dependent care expenses.Dependent Care FSA is designed to cover day care costs and other related services (see a qualifying list of eligible expenses below).

Why should I participate in a DCFSA?

A DCFSA can save you money, since your contributions are taken before taxes. The money you contribute to a DCFSA is exempt from most taxes, and can increase your take-home pay by an average of 30% of your annual contribution with tax savings.

What expenses are eligible for reimbursement?

Dependent care FSA reimburses you for eligible child expenses, including day care, before and after school care, preschool, and day camp. Continue to the next page for a complete list. DCFSA does not cover medical expenses for dependents, which is handled by the FSA option.

How do I contribute money to my DCFSA?

Sign up during Open Enrollment to contribute for the calendar year, or sign up during a qualifying event to contribute for the remainder of the year. Once you decide on an amount you want to contribute to your DCFSA, the amount you have selected will be deducted from each paycheck before taxes are calculated and the money put into your DCFSA.

Who is covered under dependent care FSA?

Dependent care is for qualifying children 12 years old or younger who share the same residence as you, or a qualifying dependent who is physically or mentally unable to care for themselves who shares the same residence with you and has income less than the Federal exemption amount.

How do I get reimbursed using my DCFSA?

One debit card will be issued to you automatically after you enroll which can be used with both healthcare FSA and dependent care FSA. You can also request one additional card in a dependent's name by contacting Erisa Administrative Services, Inc., or by submitting a Debit Card Request Form. Benefits debit cards can be used at the register when paying for eligible expenses.

If you don't have your card, you can file a claim along with your receipt showing your name, the name of your provider, services provided, amount, and date. Once approved, your reimbursement will be deposited into your bank account or a check will be mailed to you.

If I elected dependent care FSA last year, do I need to sign up again this year?

Yes. Both healthcare FSA and dependent care FSA elections need to be made every year, even if you want to elect the same amount. If you do not make a new election, your benefit will end at the close of the calendar year.

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How soon can I start spending my DCFSA funds?

The dependent care FSA can only be reimbursed up to what you have contributed so far for the year, so you will be able to start spending after your first pay period deduction. You can also only be paid for services that have already been provided; no reimbursements can be made for future expenses.

What happens if I don't spend all my DCFSA funds by the end of the plan year?

Be sure to only allocate dollars for predictable dependent care expenses. Any unused funds at the end of the plan year can't be rolled over or refunded, also called the *use-it-or-lose-it* rule.

Your dependent care FSA does not have a grace period like FSA does. All funds must be used by December 31st of the plan year.

How much can I contribute?

Account	Minimum Contribution	Maximum Contribution
Dependent Care FSA	$130	$3,750/single (7,500/household)

This reflects the current 2026 limit. The IRS announces changes to the annual contribution limit each October. You may opt to increase your election to the maximum contribution during a Special Enrollment period in November if it increases. Please note that the household limit is $7,500 but the maximum annual election per individual is $3,750. This form will be updated once the IRS announces the new limits.

What happens to my dependent care FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

What is the deadline for submitting claims?

Your deadline to submit claims for Dependent Care FSA is March 31st of the year following your FSA enrollment. If your employment ends in the middle of the year, you have up to 15 days after your termination date to submit claims for services incurred while you were still employed. Dependent care expenses must be incurred within the plan year (no later than December 31st). Please note that Dependent Care FSA must run on a calendar year basis.

How do I determine the date my expenses were incurred?

Dependent care expenses must reflect a date of payment for services rendered within the plan year and already received. If you pay for a future date of services then it cannot be reimbursed until the services have been received, and documentation must clearly identify the date services will be provided within the plan year.

What sort of documentation do I need to submit?

Documentation should identify the date of services rendered, amount of expense, and type of service rendered. In most cases a valid Tax ID will also be needed. If the service provider does not identify that the service provided matches eligible service types it may be rejected.

If you are uncertain if the service may qualify for dependent care FSA reimbursement please contact Erisa Administrators to inquire.

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Example Services Eligible for Reimbursement

- All Children must be age 12 or younger for reimbursed services to qualify
- Adult Daycare
- Agency Fees/Application Fees (required to obtain daycare services)
- Babysitter for work-related care (both day and night)
- Before and After School Care
- Day Camp (summer school or specialized day camps such as computer, soccer or dance)
- Care for services related to disability
- Child Daycare
- Custodial Care Expenses
- Tuition for nursery school/Pre-K
- Emergency Daycare
- Employment, FICA and FUTA Taxes (if you are employing the caregiver as an employee)
- Late Pickup Fees for Daycare (related to late pickup of child due to work delays)

Example Services NOT Eligible for Reimbursement

- Children age 13 and older cannot benefit from the dependent care FSA option.
- Activity and Recreation fees (such as soccer shirts, field trip expenses, etc.)
- Assisted Living costs
- Background Check fees
- Boarding School
- Diaper fees (not eligible even if submitted by the service provider)
- Household Services/Maid (such as cleaning and other unrelated services to daycare)
- Medical Expenses (all medical expenses must be reimbursed through the Medical FSA option)
- Nursing Home associated costs (not eligible)
- Overnight Camps (only Day Camp services are eligible)
- Transportation fees by anyone other than the caregiver
- Tuition Costs for education of Kindergarten grades or higher, other than preschool or Pre-K are not eligible
- Prepaid Fees cannot be reimbursed until services are rendered

Getting Started with BenefitsbyET

Handling your claims is easy with the BenefitsbyET online portal. Once you have been enrolled an email with instructions on accessing the portal will be sent to the email address you provided. Log in to the consumer portal, hosted by Erisa Trust Inc. in conjunction with Wex Health Systems on any computer at: https://benefitsbyet.lh1ondemand.com/. Follow the instructions on how to register your account so you can have full access to a suite of tools to monitor available funds, expenses, claims and more.

Using the BenefitsbyET Phone App

You will want to download the phone app in the Android or Apple app stores. Search for "BenefitsbyET" in your preferred app store. You can also use the links located on our information page at https://www.mybenefitsnm.com/FSA.htm. Your phone app allows you to submit a photo of documentation as documentation for any claim.

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