



## TexFlex<sup>SM</sup> Dependent Care FSA

Save money on everyday childcare and adult care expenses

A TexFlex dependent care flexible spending account (FSA) lets you set aside money on a pre-tax basis for eligible out-of-pocket dependent care expenses – which helps lower your taxable income. Your funds can be used for your dependent(s) under the age of 13 or a spouse or dependent incapable of self-care.

### What can you purchase with your dependent care FSA funds?

The following items are considered eligible dependent care FSA expenses:

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

### How much should you contribute?

Because the dependent care FSA is a pre-tax benefit, the Internal Revenue Service (IRS) sets the contribution limits for each year. You may contribute the minimum of \$180, or up to the maximum of \$5,000 for Plan Year 2022. If you need help planning your contribution amount, we recommend that you use the **TexFlex Calculation Worksheet**, or the **online calculator** found on **www.TexFlexERS.com**.

### How much could you save in taxes each year?

Here's an example of how much you could save, based on salary, tax bracket and contribution amount:

	With TexFlex	Without TexFlex
Annual pay	\$50,000	\$50,000
TexFlex pre-tax contribution	(\$2,000)	\$0
Taxable income	\$48,000	\$50,000
Social Security and Medicare taxes	(\$10,966)	(\$11,616)
After-tax dollars spent on eligible costs	\$0	(\$2,000)
Real spendable income	\$37,034	\$36,384
<b>Annual savings*</b>	<b>\$650</b>	<b>\$0</b>
*Sample tax savings example for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation. Consult a tax professional for more information.		

### Helpful reminders about the dependent care FSA

- You must be working, looking for work or be a full-time student to enroll in a dependent care account. If you're married, both you and your spouse must be working. If your spouse is not working, he/she must be a full-time student, actively looking for work or incapable of self-care.
- You can review the full list of eligible items on [www.TexFlexERS.com](http://www.TexFlexERS.com).
- The TexFlex dependent care FSA has a use-it-or-lose-it rule.
  - You'll lose any money you don't spend during the plan year or the 2½-month grace period.
  - With the grace period, you'll have until **November 15, 2022** to spend any unused Plan Year 2022 funds remaining in your dependent care FSA after **August 31, 2022**.
- You can file a claim for your dependent care expenses only after the care has been provided.
- Save all your itemized statements and detailed receipts. You'll need them when you submit your claim for reimbursement.
- You'll have until **December 31, 2022**, to submit claims for expenses incurred during Plan Year 2022 or the following grace period. After that, you'll forfeit any remaining Plan Year 2022 funds.
- You cannot change your contributions during the plan year unless you have a qualifying life event, such as a birth, a child aging out of eligibility or a change in daycare needs.

**NOTE:** The federal government waived the use-it-or-lose-it rule and suspended the grace period for Plan Year 2021, due to the COVID-19 pandemic. They are back in place for Plan Year 2022.

### How do you enroll?

All benefits-eligible active employees can enroll in, make changes to or cancel elections during Summer Enrollment or within 31 days of a qualifying life event or hire date. You cannot make changes to your FSA any other time.

- Log into your ERS account at <https://ers.texas.gov/my-account-login>. Then, elect the annual contribution amount you would like.
- Your benefits coordinator also can help you enroll in TexFlex or change your election.
- Your contribution, your annual election divided by the number of paychecks you'll get in the plan year, will be deducted from your paycheck each month. The plan year is September 1 – August 31.

## We're here to help

**Website:** [www.TexFlexERS.com](http://www.TexFlexERS.com)

**TexFlex Customer Service:** (866) 353-9839 (TTY:711)

Monday - Friday, 7 a.m. – 7 p.m. CT, and Saturday, 9 a.m. – 2 p.m. CT.

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