



TexFlex 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. You can use your dependent care FSA funds for your dependent(s) under the age of 13 or a spouse or dependent incapable of self-care.

What are eligible dependent care expenses?

Eligible expenses include but are not limited to:

- 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 can I 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 the plan year. If you need help planning your contribution amount, we recommend that you use the **TexFlex Contribution Worksheet**, or the **online calculator** found on www.TexFlexERS.com.

How much could I 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
Annual savings*	\$650	\$0
*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 FSA. 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 dependent care expenses on **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, 2023** to spend any unused Plan Year 2023 funds remaining in your dependent care FSA after **August 31, 2023**.
- You can only file a claim for your dependent care expenses 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, 2023**, to submit claims for eligible expenses incurred between September 1, 2022 and November 15, 2023. After that, you'll forfeit any remaining 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.

How do I 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 through August 31.

We're here to help

Website: www.TexFlexERS.com

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

Monday through Friday, 7 a.m. to 7 p.m. CT, and Saturday, 9 a.m. to 2 p.m. CT

Fax: 402-231-4310

Mail: PO BOX 8396 Omaha, NE 68108-0396

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