



DEPENDENT CARE REIMBURSEMENT ACCOUNTS

A tax savings solution



Why Dependent Care Reimbursement Accounts?

A Dependent Care Reimbursement Account (DCRA) is a great way to pay for dependent care with tax-free dollars. And since you contribute to a DCRA through a payroll deduction, you also reduce your taxable income. To qualify, the dependent care must be essential for you and your spouse to work, look for work or attend school full-time.

How it works

With a DCRA, you are able to make pre-tax payroll contributions to pay for dependent care expenses.

- Determine the amount you would like to contribute for the year. The maximum annual DCRA election allowed is \$5,000 per household. Unlike medical flexible spending accounts, your annual DCRA funds aren't available up-front. Funds are only accessible as they are deposited with each payroll deduction.
- Pay dependent care costs out-of-pocket.
- Submit expenses either through the HealthEquity online member portal, or by using the DCRA reimbursement form.
 - Recurring dependent care claims can be scheduled for the duration of the plan year. For assistance, contact HealthEquity customer service at 1-877-713-7682.

Qualified dependents

To be considered qualified, dependents must meet the following criteria:

- Children under the age of 13
- A spouse who is physically or mentally unable to care for themselves
- Any adult you can claim as a dependent on your tax return who is physically or mentally unable to care for themselves

Eligible expenses*

- Nanny/babysitter inside or outside household
- Before- and after-school or extended day programs
- Custodial childcare or eldercare expenses
- Summer/track-out day camps
- Daycare/preschool centers
- Household employee whose services include care of a qualifying person
- Late pick-up fees
- Looking-for-work expenses
- Nanny expenses
- Sick-child daycare center

Ineligible expenses*

- Educational/tuition expenses
- Expenses paid to child of participant
- Field trip expenses
- Food, clothing or entertainment expenses
- Household services
- Incidental expenses
- Overnight camps
- Payments for care where you are not the custodial parent
- Payments for care while on a leave of absence, or while on maternity or other medical leave
- Payments for care while you are on vacation or due to illness
- Payments for services not yet provided

*See the complete list of qualified and nonqualified expenses in IRS Publication 503 – Child and Dependent Care Expenses.





Helpful tools and support along the way

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) collaborates with HealthEquity for DCRA administration. Once enrolled, you will receive a Welcome Kit from HealthEquity that contains instructions for accessing your account. With HealthEquity, you'll have convenient and comprehensive tools and resources to manage your account, including expert specialists who are available every hour of every day to share advice and answer your questions.

Expert support
specialists are available
to members 24 hours a
day, seven days a week.

Managing your DCRA

You can manage both your Blue Cross NC health plan and your DCRA account online and on-the-go. Visit BlueConnectNC.com to view your health benefits and claims and to check your DCRA fund balance. Click on the "Manage Your DCRA" link to be directed to the HealthEquity portal where you can access more comprehensive services for your account. You also have on-the-go access to your DCRA on your mobile device with the HealthEquity mobile application available for iPhone and Android devices.

Here's what you can do

- View account balance and history
- Create new claims and view status
- Send payments and reimbursements
- Archive documents on a secure server
- And with the mobile app, you can do all this on-the-go, plus use your device's camera to document and upload your DCRA claims and receipts

Don't forget!

DCRA funds do not roll over from year to year. You must use DCRA dollars within the plan year or they will be forfeited.¹

Be sure to save all receipts, which are required for reimbursement and validation of expenses.

Need more information?

To learn more about the details of your employer's DCRA plan – and to sign up – contact your group benefits administrator.

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) provides free aids to service people with disabilities as well as free language services for people whose primary language is not English. Please contact the Customer Service number on the back of your ID card for assistance.

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) proporciona asistencia gratuita a las personas con discapacidades, así como servicios lingüísticos gratuitos para las personas cuyo idioma principal no es el inglés. Comuníquese con el número para servicio al cliente que aparece en el reverso de su tarjeta del seguro para obtener ayuda.

1 Carryovers of unused dependent care assistance program amounts generally are not permitted (although a 2½ month grace period is allowed). However, recent coronavirus-related legislation (the Taxpayer Certainty and Disaster Tax Relief Act of 2020) allowed employers to amend their plans to permit the carryover of unused dependent care assistance program amounts to plan years ending in 2021 and 2022, or to extend the permissible period for incurring claims to plan years over the same period. www.irs.gov/newsroom/irs-issues-guidance-on-taxability-of-dependent-care-assistance-programs-for-2021-2022

HealthEquity is an independent company that is solely responsible for the services it is providing. HealthEquity does not offer Blue Cross or Blue Shield products or services.

Blue Cross and Blue Shield of North Carolina is the DCRA administrator and contracts with HealthEquity, Inc., an independent entity, to perform certain DCRA administrative services.

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