A tax-saving solution for dependent care

Dependent Care Reimbursement Account

Why DCRAs?
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 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 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 him/herself
+ Any adult you can claim as a dependent on your tax return that is physically or mentally unable to care for him/herself

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

Eligible expenses*
+ Babysitter inside or outside household
+ Before and after school or extended day programs
+ Custodial childcare or eldercare expenses
+ Day camps
+ Daycare centers
+ Household employee whose services include care of a qualifying person
+ Looking-for-work expenses
+ Nanny expenses
+ Preschool/nursery school for pre-kindergarten
+ Sick-child care center
+ Summer day camps

Ineligible expenses*
+ Educational/tuition expenses
+ Expenses paid to child of participant
+ Field trip expenses
+ Food, clothing, education 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 non-qualified expenses in IRS Publication 503 – Child and Dependent Care Expenses.
Helpful tools and support along the way

Once enrolled, you’ll receive a welcome kit in the mail from HealthEquity®, Blue Cross and Blue Shield of North Carolina’s (BCBSNC’s) partner in DCRA administration. This kit contains information and 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.

Managing your DCRA

You can manage both your BCBSNC 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 Account” link for access to comprehensive online services. 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 our secure servers
- And with the new 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

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