



WHY DO I NEED...



# A Dependent Care Expense Account (DCEA)?



## WHAT IS IT?

A **Dependent Care Expense Account (DCEA)** allows you to use tax-free dollars to pay for qualified child day care or adult day care expenses.



## WHAT IS IT USED FOR?

The funds in a DCEA are for out-of-pocket expenses like nursery school, child day care, before/after school care, and care for adult dependents. The expenses must be incurred to allow you to work, and your spouse to work, look for work or attend school.

You **cannot** use the funds in a DCEA for any medical purchases or services for your family. For that, you will need to make a separate election for a Medical/Dental Expense Account (MDEA). See the DCEA Worksheet for more information on what account funds can be used for.



## HOW DO I SAVE MONEY?

A DCEA gives you the ability to set aside money, tax free, from your paycheck to put towards caring for your children and any adult dependents in your care.

### TAX SAVINGS EXAMPLE

You spend \$5,000 on day care each year. By enrolling in a Dependent Care FSA, you could save upwards of \$1,500.\*

**EXAMPLE SAVINGS CALCULATION**  
\$5,000 / year x 25% tax rate = \$1,250 / year in savings\*

**CALCULATE YOUR SAVINGS**  
Annual Election x Tax Rate = Annual Savings

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \_\_\_\_\_

\*For illustration purposes only. Individual tax rates and maximum limits apply.



## WHY DO I NEED THIS PLAN?

A DCEA is a financial tool used to reduce the cost of child and adult dependent care. With it, you set aside pre-tax money from your paycheck to put toward day care expenses you are already paying for. For medical expenses for a dependent, you can enroll in a MDEA with a separate election to receive pre-tax savings on those expenses.



## HOW DO I ENROLL?

Open enrollment for your 2025 insurance benefits is **Thursday, October 24th** through **Wednesday, November 13th**. Go to: [mn.gov/selfservice](https://mn.gov/selfservice) and click on the "Open Enrollment" tile. There, you will find complete instructions for enrollment in your 2025 benefits.

Visit [BenefitResource.com/state-of-minnesota](https://BenefitResource.com/state-of-minnesota) to access all State of Minnesota pre-tax benefit plan materials, including plan documents, Open Enrollment materials, forms, videos, and more!