HUMAN RESOURCES MEMORANDUM 26-013	DATE ISSUED: 5/21/26
SUBJECT: **Return to Office: FlexElect - Dependent Care Reimbursement Account**	REFERENCE: Executive Order N-22-25
TO: All Department General Services Employees and Client Service Agencies	SUPERCEDES: N/A

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of this memorandum is to provide the Department of General Services (DGS) employees with updated information regarding the FlexElect Dependent Care Reimbursement Account (DCRA) Program.

Background

On March 3, 2025, Governor Newsom released Executive Order N-22-25, regarding minimum in-person workdays. The implementation of the order was suspended for one year, with an effective date of July 1, 2026. To support employees during this transition, the California Department of Human Resources (CalHR) created two new permitting events for the FlexElect Dependent Care Reimbursement Account (DCRA) Program.

- The new permitting events will provide eligible state employees with the options to either newly enroll in the DCRA or increase their current monthly DCRA contribution (if the contribution is not currently at the maximum) within 60 days of returning to an in-office setting more frequently.

The new permitting events will become effective on July 1, 2026. Eligible employees will be able to utilize the new permitting events beginning the date their department returns to office. The eligibility period will be within 60 days of their department's return to office date.

The DCRA is an account that reimburses you for childcare, elder care, and care for a disabled dependent. Medical care for your dependents is not covered under the Dependent Care Reimbursement Account; refer to the Medical Reimbursement Account for coverage of such expenses. The maximum amount you may contribute into a Dependent Care Reimbursement Account continues to be $7,500 per household per year.

- The DCRA allows employees to set aside money to pay for qualifying dependent care expenses, such as childcare, elder care and care for a disabled dependent. DCRA contributions are not taxable, which can lower taxable income.

Responsibilities

Eligible state employees may newly enroll in the program or increase their current monthly DCRA contribution amount if they are not already contributing the maximum monthly amount of $625.

- Eligibility to use the new permitting events begins on July 1, 2026.
- The new permitting events can be used within 60 days from the date the department is requesting the employee to return to an in-office setting more frequently.
- The Personnel Transactions Unit to submit forms to the State Controller's Office on a flow basis.
- Deductions and effective date of enrollment or change are driven by the new permitting event date.
- **Important Limitation:** Employees currently enrolled in the program may not cancel their enrollment or decrease their current contributions with the new permitting events unless they have another qualifying permitting event. No form should be submitted if an employee is currently enrolled and is already deducting the maximum monthly contribution of $625.

Resources

For information regarding FlexElect, please refer to the CalHR benefits website.

For FlexElect DCRA information, please refer to the 2026 FlexElect Handbook found on the Flex Accounts Bookshelf of CalHR's Virtual Library.

For questions regarding enrollment or eligibility, please contact your Attendance Clerk.

Questions

If employees have questions regarding the guidance and information in this memorandum, they are encouraged to contact their manager/supervisor as appropriate.

Michael J. Bunt, Chief
Office of Human Resources