

Dependent Care Assistance Program (DCAP)

Overview

The Dependent Care Assistance Program (DCAP) sponsored by the PEBB program is offered through ASIFlex, Inc. PEBB sponsors and ASIFlex offers this program in compliance with IRS rules for such accounts. In general, the purpose of this program is for people to invest, on a pre-tax basis, into a savings account that can be used to pay for the child or elder care of one or more qualified dependents. The details about contribution rates, expenses that can be reimbursed, when coverage ends, and other features of the administration of DCAP accounts are described in materials provided by ASIFlex and through the ASIFlex web site, <http://pebb.asiflex.com>.

Eligibility

All employees of state agencies, higher education, community and technical colleges, and the state board of community and technical colleges, who are eligible for PEBB benefits, are eligible to participate in the DCAP program. PEBB eligible employees of K-12, ESDs, and employer groups are not eligible for DCAP through PEBB.

Enrollment

New employees must enroll within 31 days of their initial eligibility for PEBB coverage or during annual open enrollment. The start date for new employees is determined by where the enrollee works. For enrollees employed by the WSU, CWU, and WWU, the effective date when enrolling within the first 31 days of eligibility is the first of the month after the signed enrollment form is completed and returned to the benefits office. For all other enrollees, the effective date is the first of the month after the signed, completed enrollment forms are received and approved by ASIFlex. Enrollment during the annual open enrollment period is effective January 1.

All members must renew their enrollment each year during the PEBB annual open enrollment period.

Plan Year

January 1 – December 31

Plan Limits

Single employees may not exceed their earned income up to a maximum of \$5,000 per plan year.

Married employees may not exceed the lesser of their earned income or their spouse's earned income up to a maximum of \$5,000 per plan year (\$2,500 if the individual and his/her spouse file separate tax returns)

A married employee with a student spouse or a spouse needing care is assumed to have a minimum income of \$250 a month (\$500 a month if the enrollee has 2 or more qualified dependents receiving care). The contribution amount is based on the assumed income or actual income, whichever is greater.

All expenses must be incurred in the plan year. ASIFlex must receive all claim forms for the prior year by March 31st.

Payroll Deduction Guidelines

The employee's paychecks will have the same DCAP deductions throughout the calendar year, or part of the year remaining after the start date of coverage. Payroll deductions start with the first paycheck of the New Year if enrollment is during annual open enrollment, or the first paycheck of the month after the enrollee completes the enrollment form and ASIFlex receives the form. (See the Enrollment section above for UW, CWU, and WWU procedures.)

Coverage End Dates

Coverage will end on December 31 of each year except for:

- **Termination of Employment** – The enrollee may continue to incur reimbursable expenses (to the extent of the account balance) for the remainder of the calendar year until available funds are exhausted. All claims must be submitted to ASIFlex by March 31st following the close of the calendar year. See the DCAP Enrollment Guide for details.

Unspent Funds

If, after the end of the plan year there are any funds left in the DCAP account, those funds are forfeited by the employee to the State of Washington. This is in compliance with IRS regulations for dependent care spending plans.