

WASHINGTON STATE DEPENDENT CARE ASSISTANCE PROGRAM

Dependent Care Assistance Program Overview

If you are a state agency or higher-education employee, you may be eligible to take advantage of the Dependent Care Assistance Program (DCAP). A DCAP account allows you to pay for child or other dependent care expenses by setting aside a portion of your payroll dollars on a pre-tax basis and reducing your taxable salary.

When you enroll in DCAP, you decide how much to contribute for the entire plan year (January 1 – December 31). The money is deducted from your paycheck pre-tax (before federal income taxes and FICA taxes are deducted) in equal amounts over the course of the plan year. After you incur qualified expenses, you submit a claim to ASIFlex requesting reimbursement from your DCAP account. If you incur child or other dependent care expenses, you should consider this excellent employee benefit.

Eligible Expenses include:

- ✓ Day care
- ✓ Babysitting
- ✓ Registration fees
- ✓ General purpose day camps
- ✓ Pre-K expenses

Ineligible Expenses include:

- ✓ Overnight camps
- ✓ Care provided by a dependent, your spouse, or your child under the age of 19
- ✓ Care provided while you are not at work

Significantly reduce your child care expenses by using your DCAP!

It's as easy as: 1 - Enrolling 2 - Incurring Expenses 3 - Requesting Reimbursement



1. Enrolling

First, estimate the amount of dependent care expenses you expect to spend during the plan year. Your salary reduction amount should not exceed these expenses. The reduction is taken in equal amounts each regular pay period and deposited into a dependent care account.

The maximum annual contribution is \$5,000 per household (\$2,500 if married and filing a separate tax return).

Current employees may enroll in DCAP during the PEBB Program's annual open enrollment (October 26 – November 30, 2009). New employees must enroll within 31 days of becoming eligible for PEBB coverage. Enroll online or go to www.asiflex.com/pebb to download, print and complete an enrollment form. If employed by Eastern Washington University, Central Washington University, Washington State University, or Western Washington University, please send this form to your benefits office. **All other employees of state agencies and higher-education institutions send the form to ASIFlex at:**

Toll-free fax: 1-866-381-9682

Mail to: ASIFlex
P.O. Box 6044
Columbia, MO 65205-6044

ASIFlex will send you a welcome packet shortly after enrolling. To find out more information about the DCAP, please contact ASIFlex customer service at 1-800-659-3035.



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2. Incurring Expenses

Eligible expenses can only be incurred on, or after, the first day of your plan year (January 1 through December 31, 2010). You can only be reimbursed up to the dollar amount you have in your DCAP account at the time you request reimbursement. IRS regulations do not allow you to claim reimbursement for services that have not yet been provided.

3. Requesting Reimbursement

To request reimbursement from your DCAP account, you must fax or mail a completed Claim Form (found online at www.asiflex.com/pebb) and supporting documentation to ASIFlex (see fax number and address above). ASIFlex will mail you a reimbursement check. However, you also have the option to receive reimbursements by direct deposit to a checking or savings account. A direct deposit enrollment form will be included with your welcome packet. You can also find this form online at www.asiflex.com/pebb. *Please note that you cannot submit claims for services that have not yet been provided, even if you have paid for the services in advance.*

REMEMBER TO REMAIN IN THE DEPENDENT CARE ASSISTANCE PROGRAM YOU MUST RE-ENROLL EACH YEAR – EVEN IF YOU DON'T WANT YOUR DEDUCTION AMOUNT TO CHANGE.

DCAP vs. Federal Income Tax Credit

Before enrolling in the DCAP, take a close look at your tax situation to determine if it is more advantageous for you to enroll in the DCAP or to use the Federal Income Tax Credit. (If you enroll in the DCAP, your ability to take advantage of the Federal Income Tax Credit for dependent care expenses will be significantly reduced or eliminated.) The DCAP contribution amount is capped at \$5,000 per calendar year (\$2,500 per year if married and you do not file a joint tax return). The Federal Income Tax Credit is capped at \$3,000 if you have one child and \$6,000 for two or more dependents with eligible expenses. Generally, it is advantageous for individuals with gross household incomes in excess of \$31,000 to enroll in the DCAP; however, you should speak with your tax advisor to determine which program is more beneficial based on your individual situation.

IMPORTANT NOTE – Use it or lose it

Reimbursable expenses in the DCAP must be incurred during the eligible plan year AND submitted to ASIFlex no later than March 31 of the following calendar year. Any unclaimed dollars remaining in your account will be forfeited to the plan administrator, per IRS regulations.

What if I have questions?

Contact ASIFlex Customer Service: 1-800-659-3035
Monday – Friday, 5 a.m. – 5 p.m. Pacific time
Saturday, 7 a.m. – 11 a.m. Pacific time

Email: asi@asiflex.com

Web: www.asiflex.com/pebb

