

Dependent Care Assistance Program (DCAP)

Dependent Care Assistance Program (DCAP)

- Reduces taxable income for an employee
- Employees elect to have pre-tax contributions withheld from their paycheck
- Reimburses dependent care expenses such as nursery school, daycare and preschool costs
- Maximum contribution amounts are determined by the IRS

Requirements:

- Expenses must be incurred while an employee or spouse is working, engaged in a full-time search for employment, or is a full-time student
- Expenses must be incurred and submitted during the plan year
- Services must be rendered before they are reimbursed
- An employee is reimbursed only up to the amount available in their account
- A request for an amount greater than the account balance will be processed automatically when additional contributions are available
- Dependent care by a family member is eligible for reimbursement if the relative is not listed as a dependent on the employee's income tax return, is 19 or older, and is willing to declare the income on their tax return
- Tuition for a child in grade school is not eligible for reimbursement
- The signature of the dependent care provider on the claim form or a signed receipt is required
- Employees may only make a change in contribution amounts when there is a specific change in status as described in the Summary Plan Description
- Any unused funds at the end of the plan year are forfeited
- Participation ends when an employee terminates
- Only expenses incurred prior to termination are eligible for reimbursement
- Expenses must be submitted within 90 days from the date an employee terminates

Eligible Dependents

- Must meet the definition of a qualifying child or dependent under the IRS Child and Dependent Care Credit guidelines. *Example:* A child must be under the age of 13, unless disabled, claimed as a dependent on the employee's tax return and have less than \$3,000 gross income when care was provided.
- Adult dependent care reimbursement may also be eligible; however, strict guidelines apply

Maximum Amounts

- \$5,000 per family, when an employee is the head of household or married and files a joint tax return
- \$2,500, when an employee is married and files a separate tax return

Reimbursement:

- An employee may elect reimbursement in the form of a check or request direct deposit at the time of enrollment
- Required forms are on our website at www.phpni.com

Additional Information:

- Complete details can be found in the Summary Plan Description that is provided by the employer
- Information about an employee's DCAP account is available online at www.phpni.com
- DCAP account information is also available by calling Customer Service at:

(260) 432-6690, ext.11

1-800-982-6257, ext. 11

(260) 459-2600

for the hearing impaired



8101 West Jefferson Blvd.
Fort Wayne, IN 46804

www.phpni.com