

Dependent Care Assistance Program (DCAP)

For more information, contact a PHP Account Executive or Account Manager at **260-432-6690** or **1-800-982-6257** or at **sales@phpni.com**

DEPENDENT CARE ASSISTANCE PROGRAM (DCAP)

- Reimburses dependent care expenses such as nursery school, daycare and preschool costs.
- Reduces taxable income for an employee.
- Employees elect to have pre-tax contributions withheld from their paycheck.
- Maximum contribution amounts are determined by the IRS.
- 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 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.
- 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.
- Tuition for a child in grade school is not eligible for reimbursement.
- 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 is provided.
- Adult dependent care reimbursement may also be eligible; however, strict guidelines apply.