

## What is Dependent Care Assistance?

A Dependent Care Assistance Plan (DCAP) is a tax-exempt benefit you can use to pay your out-of-pocket expenses for the custodial care of dependents claimed on your federal income tax return. Your account in the Plan is funded by tax-free dollars that you set aside from your paycheck to use as payment for eligible day care type services.

### Your MasterCard® Debit Card

Once enrolled, you will receive a MasterCard® directly linked to your DCAP account to conveniently pay for your eligible dependent day care expenses.



- You can use your debit card if the day care provider accepts MasterCard®. If not, you must pay the day care provider by other means and then submit a manual claim to get reimbursed.
- Manual claims are given priority and are paid within three (3) days of receipt.
- Your debit card cannot be used at ATM machines.
- You may not use your debit card when you are on a Leave of Absence or if you terminate employment.
- If you do not repay ineligible expenses, your debit card will be deactivated.
- Dependent care claim payment amounts are limited by your available account balance accumulated through payroll deductions.
- The funds available are not interchangeable between DCAP and Health FSA accounts.

**NOTE:** Merchant credit card terminals may not be coded as a day care provider which will result in card failures. Should you experience this, please contact our Customer Care Center to perform an override.

## General Information

- The most you can set aside tax-free into your DCAP account is \$5,000 per calendar year (\$2,500 if married, filing a separate tax return).
- You cannot be reimbursed for day care expenses that exceed the available balance that has accumulated through payroll deductions.
- Day care expenses paid by you to any individual over 19 years old can be reimbursed. They must have a Social Security Number and make tax filings. For example, a nanny, relative, or neighbor is an eligible provider as long as that person is not someone you also claim as a dependent on your own tax filings.
- Always contact Medcom to confirm what expenses are eligible if you are uncertain.
- Your DCAP election amount may not be changed unless you have a qualified "family status change."
- Any unused funds in your DCAP account when the Plan Year and claims run-out period end will be forfeited.

## Eligible Tax Dependents

- Children ages 12 and under (including stepchildren, grandchildren, adopted or foster children, and children related to you who are eligible for a tax exemption on your federal tax return).
- Tax dependents residing with you and incapable of self-care (this could include your spouse, a child aged 13 and over, and elderly parents).

### Eligible Expenses

Before and after school custodial care  
 Day camps  
 Licensed daycare centers

### Ineligible Expenses

Medical care  
 Food  
 Overnight camps  
 Day care or babysitting incurred after your work hours  
 Day care expenses that have not actually incurred  
 Day care expenses for children 13 or older  
 Late fees assessed by the provider for making late payments