

## Los Rios Community College District

### DEPENDENT CARE ASSISTANCE PLAN

#### Introduction

The Dependent Care Assistance Plan (DCAP) enables you to direct a portion of your salary (as a payroll deduction) into dependent care expenses. Redirecting a portion of your salary into a DCAP account means that your taxable income will be calculated after the elected amounts (Dependent Care Expenses) are deducted from your salary. Federal Income Tax, Social Security Tax, and/or State Income Tax will not be paid on the elected amounts.

#### Enrollment

Employees may enroll in DCAP during the annual open enrollment period, generally conducted during the month of September. Reductions in pay will begin with the December pay period, payable January 1. Newly eligible employees may enroll in DCAP within 31 calendar days of becoming eligible. You are newly eligible if:

- ◆ You are a new employee of the District and hired after the open enrollment period;
- ◆ You were on an approved leave of absence during the entire open enrollment period;
- ◆ You experienced a family status change (see below).

#### Contributions

When deciding on an amount to redirect toward Dependent Care expenses, you will want to review how much you normally spend annually and what you believe will be a conservative estimate of these expenses during the year. IRS regulations stipulate that you may not change your monthly deduction amount during the year unless you experience a valid family status change.

Valid Family Status Changes include:

- a. Marriage or divorce;
- b. Birth or adoption of a child;
- c. Death of a spouse or dependent;
- d. Loss of employee's or spouse's employment

IRS rules do not allow unused money in your account to be returned to you at the end of the plan year. Remaining amounts not claimed by March 31st of the following year must be forfeited.

The annual maximum contribution is \$5,000. If you are married, but filing separate income tax returns, the most you can contribute is \$2,500 annually.

## **Reimbursements**

To obtain reimbursement, you must submit a DCAP claim form, with appropriate documentation, to our third party administrator, Conexis. Services performed must be within the calendar year and all expenses must have been “incurred” prior to reimbursement. The IRS defines “incurred” as “when the dependent care is provided, and not when the participant is formally billed, charged for or pays for the dependent care.” This means that advance payments of dependent care expenses cannot be reimbursed until after the date the care is provided. You will only be reimbursed up to the amount of un-reimbursed contributions. Any unpaid amount will be carried forward.

Contact the Employee Benefits Department for additional information on the DCAP plan and for the appropriate DCAP forms. You may also download the forms by clicking on the appropriate link below.

[\*\*DCAP Frequently Asked Questions\*\*](#)

[\*\*DCAP Enrollment Form\*\*](#)

[\*\*DCAP Claim Form\*\*](#)

[\*\*Plan Brochure\*\*](#)

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