Dependent Care Assistance

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 in order 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.
- *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 Service Department 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 age 13 and over, and elderly parents).

Eligible Expenses

- Before and after school custodial care
- Day camps
- Licensed day care centers

Ineligible Expenses

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

Medcom
BENEFIT SOLUTIONS

Phone: (800) 523-7542, Option 1
Email: MedcomReceipts@medcombenefits.com
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