

FSA and DCAP

Enrolling in a Flexible Spending Account

The PEBB Program offers a medical flexible spending account (FSA) that allows you to set aside money from each paycheck—before taxes—to pay for out-of-pocket health expenses. This reduces both your annual taxable income and the amount you pay for out-of-pocket health expenses. This is only offered to PEBB benefits-eligible state and higher-education employees.

To set up an FSA, you can enroll at the following times:

- When you become eligible for PEBB benefits. You must enroll **no later than 31 days** after you become eligible (usually on your first day of employment). See WAC 182-08-197 for details.
- During the PEBB annual open enrollment.
- During the plan year if you or an eligible family member has a qualifying event that creates a special open enrollment. You must enroll **no later than 60 days** after the event that created the special open enrollment. See WAC 182-08-199 for details or see the *FSA Enrollment Guide* at <http://pebb.asiflex.com>.

You decide how much you want to contribute per pay period when you enroll. The minimum annual contribution is \$240; the maximum is \$3,600.

The full amount of your calendar year FSA contribution is available on your first day of coverage for expenses incurred that day forward. You may use your FSA to reimburse yourself for out-of-pocket medical, dental, and vision expenses allowed by the Internal Revenue Service (IRS). You may not

pay premiums from your account, but you can use it for deductibles, copays, and coinsurance. Your and your family members' expenses (those who qualify as dependents under IRS rules) may be reimbursed from your account.

Enrolling in the Dependent Care Assistance Program

The Dependent Care Assistance Program (DCAP) offers you an opportunity to reduce taxable income by setting aside money from each paycheck—before taxes—to pay for dependent care expenses. DCAP reimburses qualified dependent care expenses that allow you and your spouse (if married) to attend school, work, or look for work. If you have a stay-at-home spouse, you cannot enroll in the DCAP. This benefit is only offered to PEBB benefits-eligible state and higher-education employees.

Qualifying dependents include:

- A dependent under age 13 who qualifies as an Internal Revenue Service (IRS) dependent.
- A spouse who is physically and/or mentally incapable of self-care.
- Any other IRS-recognized dependent who is physically and/or mentally incapable of self-care.

To set up a DCAP account, you can enroll at the following times:

- When you become eligible for PEBB benefits. You must enroll **no later than 31 days** after you become eligible (usually on your first day of employment). See WAC 182-08-197 for details.
- During the PEBB annual open enrollment.

- During the plan year if you or an eligible family member has a qualifying event that creates a special open enrollment. You must enroll **no later than 60 days** after the event that created the special open enrollment. See WAC 182-08-199 for details or see the *DCAP Summary* at <http://pebb.asiflex.com>.

You decide how much you want to set aside per pay period when you enroll. The maximum is \$5,000 per household on the total amount of tax-free dependent care assistance that you can receive in any year (\$2,500 if you and your spouse file separate tax returns).

Application Software, Inc. (ASIFlex) administers the FSA and DCAP

For more information and forms, go to ASIFlex's website at <http://pebb.asiflex.com> or call ASIFlex at 1-800-659-3035. Send questions via email at asi@asiflex.com.