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Dependent Care Assistance Program Policy

Effective: July 1, 2004
Last Updated: November 1, 2006

Executive Summary

The Dependent Care Assistance Program (DCAP) is a voluntary program that allows employees to set aside a portion of their pre-tax income specifically for this purpose. Under the Federal Tax Law, employees may set aside pre-tax dollars for child or dependent adult care.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Employees are eligible for this program if they:

- Are employed by the Commonwealth of Massachusetts;
- Have child(ren) younger than 13;
- Have child(ren) in a licensed day care center or family day care home or another form of child care that meets the Federal Tax Code requirements; or
- Care for an adult or child who is mentally or physically incapacitated whom they claim as an exemption for tax reporting and who lives in their house at least 8 hours a day.

Upon receipt of documentation of dependent care expenses from the employee, a reimbursement check is issued from the employee's DCAP provider. Unused contributions to the program will be forfeited.

DCAP Fee

A pre-tax administration fee is charged to employees participating in the DCAP program. This fee is deducted from the employee's wages divided evenly over each pay period during the year.

DCAP Program

- Administered by the Group Insurance Commission (GIC) and a third party administrator;
- Offered to all Commonwealth employees;
- Available through an employee's human resources office;
- Requires a DCAP Enrollment/Change Form;
- Deducted in every biweekly pay period; and
- Available on a voluntary pre-tax basis.

DCAP Forms can be found on the Group Insurance Commission's website.

Information Sources

Legal Authority

- 26 USC §129 Dependent Care Assistance Programs
- M.G.L. c. 7A §§ 3, 7, 8
- M.G.L. c. 32

Links

- Group Insurance Commission

Contacts

CTR Solution Desk