



**2020 Public Employees
Benefits Board (PEBB)
Program
Dependent Care Assistance
Program (DCAP)
Enrollment Guide**

How you can use your pre-tax earnings to pay for
qualifying child care or elder care expenses

In July 2020, you have an opportunity to change some of your PEBB benefits

We know the COVID-19 pandemic may have changed your health care needs. In light of this, the PEBB Program is offering subscribers a limited open enrollment during which you can to make changes to some PEBB benefits. (Normally, you would need to have a life event, like a birth or marriage, to make these changes midyear.)

From July 1 through 31, 2020, you can make the changes below:

- Add an eligible dependent to medical coverage.
- Enroll in medical coverage if you are currently enrolled only in dental.
- Raise or lower 2020 Medical Flexible Spending Arrangement (FSA) or Dependent Care Assistance Program (DCAP) election amounts.
- Enroll in a Medical FSA or DCAP for the rest of the calendar year (if you are eligible for these benefits).

Any changes you make are effective on August 1, 2020. Learn more about this limited open enrollment, including how to make changes, at hca.wa.gov/pebb-oe.

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How to contact Navia Benefit Solutions

Business hours: Monday – Friday, 5 a.m. – 5 p.m. PT

Phone: 1-800-669-3539

Email: customerservice@naviabenefits.com

Fax: 425-451-7002 or toll-free fax 1-866-535-9227

Mail: Navia Benefit Solutions, PO Box 53250, Bellevue, WA 98015

Who is eligible?

The Washington State Health Care Authority (HCA) contracts with Navia Benefit Solutions to manage the Dependent Care Assistance Program (DCAP), process claims, and provide customer service for Public Employees Benefits Board (PEBB) Program enrollees. The DCAP is available to PEBB benefits-eligible employees who work at state agencies, higher-education institutions, and community and technical colleges as described in Washington Administrative Code (WAC) 182-12-114. A link to the WAC is available at hca.wa.gov/pebb-rules.

How can the Dependent Care Assistance Program (DCAP) help me?

DCAP is an employer-sponsored benefit that enables you to set aside money from your paycheck on a pre-tax basis to help pay for qualifying child care or elder care expenses while you attend school full-time, work, or look for work. Eligible expenses include elder day care, babysitting, day care, preschool, and registration fees.

Here are some of the ways you can benefit from participating in DCAP:

- DCAP contributions are limited to:
 - \$5,000 annually for a single person or married couple filing a joint income tax return;
 - \$2,500 annually for each married participant who files a separate income tax return; and
 - The total amount of your contribution cannot be more than either your earned income or your spouse's earned income, whichever is less. Earned income means wages, salaries, tips, and other employee compensation plus net earnings from self-employment.
- A qualifying dependent must live with you and must be 12 years old or younger. A person age 13 or older only qualifies if that person is physically or mentally incapable of self-care and regularly spends at least eight hours each day in your household. The care must be provided during the hours the parent(s) work, look for work, or attend school.

How does the DCAP work?

- You estimate your expenses for the plan year and enroll in the DCAP for that amount. The more accurate you are in estimating your expenses, the better this benefit will work for you. (See deadlines for enrolling under "[When can I enroll and how do I submit my enrollment?](#)" below.)
- You cannot change your election amount after the plan year starts unless a special open enrollment event (qualifying event) occurs. Common qualifying events include birth, death, adoption, marriage, or divorce. Your election change must be consistent with the qualifying event. (See "[When can I make changes?](#)" for details.)
- The pre-tax amount deducted from your pay is your annual election amount divided by the number of paychecks you receive in the plan year. Deductions are deposited into your dependent care account, administered by Navia Benefit Solutions.
- DCAP works like a bank account. Reimbursement cannot exceed the account balance at the time you submit your claim, and you will not receive reimbursement until after the service has been provided.
- The account comes with a "use it or lose it" rule. This means you must incur services and use all elected funds by December 31, 2020. You must submit your claims to Navia Benefit Solutions **no later than March 31, 2021. If you don't file claims by that date, per IRS regulations, you will forfeit any money left in your account to the plan administrator, the HCA.** Once the money is forfeited, you will not be able to claim it. (See "[How do I get reimbursed?](#)" for details.)

How does the DCAP work if I am divorced with child(ren)?

Your child(ren) must live with you for more than half of the year in order to be eligible for reimbursements through the DCAP. The parent who has more than 50 percent custody is eligible for the dependent care, regardless of which parent claims the tax exemption.

When can I enroll and how do I submit my enrollment?

Deadlines for submitting your form to enroll in the DCAP are as follows:

1. **No later than 31 days** after the date you become eligible for PEBB benefits.
 - To enroll, fill out the *PEBB Mid-Year Enrollment Form* and return it to your personnel, payroll, or benefits office as instructed on the form. You can find the form online at pebb.naviabenefits.com,

or request it from your employer. (**Exception:** University of Washington [UW] employees must enroll through Workday.)

2. **No later than the last day** of the PEBB Program's annual open enrollment period.
 - For each new plan year, you must enroll or reenroll in DCAP to participate. Your participation does not automatically continue from plan year to plan year.
 - You can enroll online using Navia's portal at pebb.naviabenefits.com. (**Exception:** UW employees must enroll through Workday.) Online enrollment through Navia's portal is only available during the PEBB Program's annual open enrollment period.
 - Instead of enrolling online, you can download and print the *PEBB Open Enrollment Form* at pebb.naviabenefits.com. (This option is not available to UW employees.) Navia must **receive** your enrollment form **by November 30, 2019**. Forms received after that date will not be accepted for 2020 DCAP enrollment.
3. **No later than 60 days** after you or an eligible dependent had a qualifying event that creates a special open enrollment during the plan year. Follow the submission instructions on the enrollment form. See "[When can I make changes?](#)" for details on special open enrollment events.
 - If you have an event that allows for a change, fill out the *PEBB Change in Status Form* and return it—along with evidence of the event that created the special open enrollment—to your personnel, payroll, or benefits office.
 - You can find the form online at pebb.naviabenefits.com, or request it from your employer. (**Exception:** UW employees must submit the change through Workday.)

When does my coverage begin?

- If you enroll during the PEBB Program's annual open enrollment period, your DCAP coverage is effective January 1, 2020 through December 31, 2020.
- If you enroll as a newly PEBB benefits-eligible employee, enrollment begins the first of the month following the date you become eligible for benefits. If that day is the first of the month, the enrollment begins that day.
- If you are a PEBB benefits-eligible employee who has a special open enrollment event that allows for an enrollment or change in election, it will be effective the first day of the month after the later of:
 - The event date.
 - The date your personnel, payroll, or benefits office receives the *PEBB Change of Status Form* and evidence of the event that created the special open enrollment. **Exception:** If the special open enrollment is due to a birth or adoption (or assumption of legal obligation for support in anticipation of adoption of a child), the enrollment or change in will begin the first of the month in which the event occurs.

What dependent care expenses are eligible?

Commonly claimed expenses include before-and-after-school-care, a babysitter, day care, or a general-purpose day camp. Care can be inside or outside your home. The main purpose must be the qualifying dependent's well-being and protection while you and your spouse, if married, are working or attending school.

A qualifying dependent must live with you and must be 12 years old or younger. A person age 13 or older only qualifies if that person is physically or mentally incapable of self-care and regularly spends at least eight hours each day in your household. The care must be provided during the hours the parent(s) work, look for work, or attend school.

Children's preschool may be included if your child is not in kindergarten or a higher grade. Registration fees for day care are eligible for reimbursement after dependent care services begin. Out-of-home care must comply with all federal and state requirements.

Here are some of the most common eligible expenses:

- **Au Pair:** The costs relating to an au pair for the care of a child are reimbursable.
- **Babysitter:** As long as the caregiver is not a dependent or spouse of the participant.
- **Before-and-after-school care.**

- **Day camp:** Only the cost for the child to attend the camp is eligible. Overnight camps are not eligible.
- **Child care by a relative:** The care provider cannot be a parent of the child, a dependent on your tax return, or your child under the age of 19.
- **Deposits:** As long as the deposit is for day care services provided within the plan year, the claim is being filed, and the service has been provided. Prorating may be necessary for those services that extend from one year to another.
- **Elder care:** Costs relating to the care of a dependent adult who is unable to care for themselves will qualify only if: 1) such expenses are not attributable to medical services; 2) the elderly person is a qualifying individual; and 3) in the case of services provided outside the employee's household, the person still regularly spends at least eight hours each day in the employee's home. Elder day care will often qualify, but 24-hour care in a nursing home will not. A Letter of Medical Necessity (LMN) is required to provide proof that the dependent adult is physically or mentally incapable of self-care. You can download an LMN at pebb.naviabenefits.com.
- **Care of child incapable of self-care:** Children 13 and over incapable of self-care will be subject to restrictions as listed above under elder care (must spend at least eight hours a day in the home, etc.). However, qualifying children under the age of 13 incapable of self-care do not need to spend at least eight hours a day in the employee's home. Expenses for such children would still have to meet other requirements that could be affected by the amount of time they spend away from home. Please check with your tax advisor or IRS publications 501 and 503. You must submit an LMN to provide proof that the dependent child over age 13 is physically or mentally incapable of self-care. You can download an LMN at pebb.naviabenefits.com.
- **Extended day programs:** Activities provided after school, which are primarily custodial in nature.
- **FICA and FUTA taxes:** Paid to a day care provider are eligible.
- **Nanny fees:** Costs relating to the payment of a nanny for the care of a child are reimbursable.
- **Nursery school/preschool/pre-kindergarten.**
- **Registration fees:** As long as the registration fee is for day care services that will be provided within the plan year the claim is being filed and the service has been provided. Prorating may be necessary for those services that extend from one year to another.
- **Sick-child care:** Only if they are enabling the parent to go to work.

Transportation is an eligible expense when the day care provider brings the qualifying dependent to or from day care. The expense doesn't qualify when transportation is through someone other than the day care provider.

Which expenses are not eligible?

Expenses for care cannot include your costs for food, clothing, or entertainment. However, if these amounts cannot be separated from the cost of caring for the qualifying person(s), you can include the total cost.

Some expenses that **are not eligible** include:

- Child care while you are not at work or attending school.
- Costs for your child to attend kindergarten or a higher grade.
- Camp expenses when your child stays overnight.
- Payments to a person you can claim as a tax dependent on your federal income tax return.
- Payments to your dependent under age 19.
- Expenses incurred before your effective date of enrollment in DCAP.
- Membership, activity, transportation, or supply fees.
- Day care for a child age 13 or older who is capable of self-care.
- Enrichment classes or summer school.
- Meals, supplies, transportation costs, uniform costs, diaper fees, etc.
- Nursing home or long-term care expenses.
- Parents' night out.

How much should I set aside?

Use the worksheet below to help you estimate your dependent care costs. For more help, you can use the interactive Tax Savings Calculator at pebb.naviabenefits.com.

Day Care Expenses Estimation Worksheet	
Before/after school care	\$
Elder day care	\$
Preschool	\$
Day care, including summer day camp fees	\$
Annual total	\$

How do I get reimbursed?

Navia Benefit Solutions will send you a claim form when you enroll in the DCAP. Complete and submit your claim and documentation to Navia Benefit Solutions for reimbursement of incurred expenses. You do not have to provide proof of payment with your claim. Documentation from your care provider should include the:

- Name of the care provider
- Dates(s) of service
- Description of the services provided
- Amount charged for the service
- Name of the person for whom services were provided

Expenses must be incurred while you are an active participant in the DCAP (See "[What happens if my employment ends?](#)"). Navia Benefit Solutions will not reimburse any expenses incurred before your effective date of enrollment in DCAP. You may submit claims for incurred expenses whether or not they have been paid, and you can submit claims as often as you'd like. Remember, reimbursement cannot exceed the account balance at the time you submit your claim, and you will not receive reimbursement until after the service has been provided.

Navia Benefit Solutions offers several convenient ways to submit your claims and documentation. Choose one of the following:

- **Online:** pebb.naviabenefits.com (you will need to create a login and password)
- **Fax:** 425-451-7002 or toll-free fax 1-866-535-9227
- **Email:** claims@naviabenefits.com
- **Mail:** Navia Benefit Solutions, PO Box 53250, Bellevue, WA 98015-3250
- **Mobile App:** The *MyNavia* app is available on both Google Play and the Apple Store. You can find the app by searching *MyNavia* or Navia Benefit Solutions.

You may submit recurring DCAP claims through your online profile or by using the *PEBB DCAP Recurring Claim Form* (See "[What is a day care recurring claim?](#)"). All claim methods are subject to the above documentation requirements.

If approved, Navia Benefit Solutions will process your claim within a few business days and make an electronic funds transfer into your bank account (if you enrolled in direct deposit), or mail you a reimbursement check. You may enroll in direct deposit at any time by logging into your account at pebb.naviabenefits.com or completing the *PEBB Direct Deposit Authorization Form*. If your claim requires additional documentation, processing could be delayed. Lost or expired DCAP reimbursement checks can be reissued 10 business days after the original check date. A check reissue requires at least one business day to process. Any fees associated with presenting a canceled check will be deducted from your account as well as the face value of the check.

Navia Benefit Solutions will send a quarterly statement showing your account balance to the mailing address or email address you designate when you enroll. It is important to read your statements carefully so you understand how much remains for you to pay for eligible expenses.

What is a day care recurring claim?

It is a claim that is automatically processed according to the interval you choose for your day care costs. You may set up your recurring claim online at pebb.naviabenefits.com or by completing a *PEBB DCAP Recurring Claim Form*.

"Use it or lose it" and claim submission deadline

The DCAP plan year runs from January 1 through December 31, 2020. All of your eligible DCAP expenses must be incurred by December 31, 2020. You must submit all claims for your DCAP account to Navia Benefit Solutions for reimbursement by March 31, 2021. Money left in your account after that date **cannot be refunded and will be forfeited to the plan administrator, the HCA**. This is referred to as the "use it or lose it" rule.

How do I receive information from Navia Benefit Solutions?

You can choose your method of communication. For example, if you provide an email address, statements and other communications will be sent automatically to your email. You may change your method of communication or opt out of electronic correspondence either online at pebb.naviabenefits.com or by contacting Navia Benefit Solutions directly.

When can I make changes?

You can only change your election amount during the PEBB Program's annual open enrollment unless you experience a qualifying event that creates a special open enrollment, such as:

- Marriage.
- Registering a domestic partnership, if the state-registered domestic partner qualifies as a tax dependent
- An increase in the number of dependents, including birth, adoption, when the subscriber has assumed a legal obligation for total or partial support in anticipation of adoption, or a child becoming eligible as an extended dependent through legal custody or legal guardianship.
- You or your dependent has a change in employment status that affects the employee's or a dependent's eligibility for DCAP.
- You or your dependent has a change in enrollment under an employer-based group health plan during its annual open enrollment that does not align with the PEBB annual open enrollment.
- You change the dependent care provider; the change to the DCAP election amount can reflect the cost of the new provider.
- You or your spouse experience a change in the number of qualifying individuals as defined in IRC 26 U.S.C. Sec. 21 (b)(1);
- Your dependent care provider imposes a change in the cost of dependent care; you may make a change in the DCAP election amount to reflect the new cost if the dependent care provider is not a qualifying relative as defined in IRC 26 U.S.C. Sec. 152.

If you have a qualifying event and need to enroll, change your election amount, or terminate your enrollment in DCAP, contact your personnel, payroll, or benefits office to request the *PEBB Change in Status Form*, or download the form from pebb.naviabenefits.com. (**Exception:** UW employees must submit the change in status through Workday.) Return the form, and evidence of the qualifying event, to your personnel, payroll, or benefits office for approval. Unless stated otherwise, your employer must receive these documents **no later than 60 days** after the qualifying event. Your employer will submit an approved form to Navia Benefit Solutions.

Note: Under Internal Revenue Code (IRC) sections 125 and 129, it may be necessary for Navia Benefit Solutions to decrease the election amount of certain participants to ensure that the program does not discriminate in favor of highly compensated employees.

Approved leave of absence (including Leave Without Pay)

You cannot continue your DCAP participation while you are on an approved leave of absence (LOA). DCAP expenses incurred during the LOA are not eligible for reimbursement. When you return, you may:

- Resume participation at the same annual amount elected at the start of the plan year, with a corresponding increase in contributions for the balance of the plan year; or,

- Participate at a reduced annual amount for the plan year, and resume the per-pay-period contribution in effect before the approved leave.

To resume your DCAP, fill out and send the *PEBB Change in Status Form* to Navia Benefit Solutions **no later than 60 days** after returning to work. (**Exception:** UW employees must use Workday.) If you submit the form more than 60 days after returning to work, Navia Benefit Solutions will deny your request.

Transfers between state agencies and higher-education institutions

If you enroll in DCAP and later change jobs and move to another Washington state agency, higher-education institution, or community or technical college that offers PEBB benefits, your enrollment will continue as long as:

- Your new position is benefits-eligible for participation in the DCAP; and
- You notify your new employer's personnel, payroll, or benefits office of your transfer **no later than 31 days** after your first day of work in the new state agency; and
- There is no more than a 30-day lapse in employment or reemployment within the same plan year.

Note: If you have more than a 30-day break in PEBB benefits coverage, you cannot enroll or reenroll in DCAP during the same plan year.

If you are eligible to continue your enrollment, your per-paycheck deductions will increase, if necessary, to meet the annual contribution amount by the end of the plan year. An agency transfer is not a qualifying event to change your DCAP election.

If your transfer satisfies the above guidelines, please submit the *Agency Transfer Form* to your personnel, payroll, or benefits office **no later than the 31 days** after the date you transfer, but before the end of the plan year. Your new employer must submit your form to Navia Benefit Solutions. (**Exception:** UW employees must submit the agency transfer through Workday.)

What happens if my employment ends?

If your employment ends during the plan year or if you retire, you may continue to submit claims for eligible expenses (up to your account balance) through the end of the claims run-out (claims filing period), as long as the expenses for care allow you to attend school full-time, look for work, or work full-time. You must submit all claims to Navia Benefit Solutions by March 31, 2021. There are no COBRA rights or other continuation of coverage rules for the DCAP.

How do I appeal a denied claim?

You will receive written notice of any denied claims within seven calendar days of when Navia Benefit Solutions receives the claim. The notice will include the reasons for the denial, a description of any additional information needed to process the claim, and an explanation of the claims review procedure.

You may resubmit your claim to Navia Benefit Solutions with additional information **no later than March 31, 2021**. If you wish to file an appeal, Navia Benefit Solutions must receive it **no later than 30 calendar days** from the date the denial was issued.

Your appeal should include:

- A statement outlining why you think your request should not have been denied
- Your employer's name
- The date(s) of the services denied
- A copy of your original claim
- A copy of the denial letter you received
- Any additional documents or information that supports your appeal

Navia Benefit Solutions will send you a written notice of the resolution of your appeal within 30 calendar days. Appeals are approved only if the extenuating circumstances and supporting documentation are within IRS regulations and the document that governs the PEBB Program DCAP.

To file a first-level appeal with Navia Benefit Solutions, use one of the methods below:

- **Email:** claims@naviabenefits.com
- **Fax:** 425-451-7002 or toll-free fax 1-866-535-9227
- **Mail:** Navia Benefit Solutions, PO Box 53250, Bellevue, WA 98015

If you receive a denial of your appeal from Navia Benefit Solutions and you disagree with that decision, you may appeal that decision by submitting a written request to the PEBB Appeals Unit for a Brief Adjudicative Proceeding (BAP). The PEBB Appeals Unit must receive your request for a BAP **no later than 30 calendar days** after the date of the Navia Benefit Solutions decision notice of your appeal. The contents of your request for a BAP are to be provided as described in WAC 182-16-2070. Include a copy of the denial notice you received from Navia Benefit Solutions with your appeal along with any supporting documentation. You may submit the *Employee Request for Review/Notice of Appeal* form, which is available at hca.wa.gov/pebb-appeals.

You may send the form and any supporting documents by one of the following methods:

- **Hand Delivery:** Health Care Authority
626 8th Ave SE
Olympia, WA 98501
- **Fax:** 360-725-0771
- **Mail:** Health Care Authority
PEBB Appeals Unit
PO Box 45504
Olympia, WA 98504-5044

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