

2026 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 childcare or elder care expenses

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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 5179 Fresno, CA 93755

Email: customerservice@naviabenefits.com

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

Customer Service Line: 425-452-3500 or 1-800-669-3539

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 employees.

Who is eligible?

The DCAP is available to PEBB Program subscribers who work at state agencies, higher-education institutions, and community and technical colleges, and are eligible for PEBB benefits as described in Washington Administrative Code [\(WAC\) 182-12-114](#). You can waive your medical coverage as described in WAC 182-12-128 and still enroll in the DCAP.

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 or your spouse attend school full-time, work, or look for work. You are responsible for providing documentation to the IRS for tax purposes, if requested. Savings average thirty percent because you do not owe state, federal, or FICA taxes on funds deposited in a DCAP. You can think of it as for every \$100 dollars you would deposit in your bank, you can deposit \$130 in a DCAP to pay for eligible expenses such as elder day care, babysitting, day care, preschool, and registration fees.

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

- Setting aside a portion of your pay with a DCAP reduces your annual taxable income.
- You can set aside as little as \$120 or as much as \$7,500 for the calendar year. **Note:** You can only be reimbursed for the amounts that have been contributed to the account. Unlike an FSA, DCAP funds must first be accrued before they can be dispersed.

How much will I save on taxes?

Dependent care can be one of the largest expenses for a family, but you can save big on taxes by using this benefit. The funds are deducted from your pay before FICA (7.65%) and Federal income taxes (10-37%) are calculated and can save you between 25 and 40% on each dollar that you enroll in. For example, if we use a 12% tax rate, and you elect \$3,000 for the year, you will save around \$383 on annual taxes.

What does "pre-tax" mean?

Funds transferred to your DCAP account are deducted from the gross (without tax) amount from your paycheck. This lowers your taxable income by the same amount you contribute to your DCAP. DCAP funds can only be used for qualifying health care expenses, which are not subject to federal tax.

How does the DCAP work?

- The minimum DCAP annual contribution is \$120.
- The maximum DCAP contributions are:
 - \$7,500 annually for a single person or married couple filing a joint income tax return;
 - \$3,750 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 age 12 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 subscribers(s) work, look for work, or attend school.
- The more accurate you are in estimating your expenses, the better this benefit will work for you. Estimate your dependent care expenses for the plan year (January 1 through December 31) and enroll in the DCAP for that amount, or for the amount remaining for the current plan year. See the next section, "How much should I enroll for?" for details. You cannot change your election amount after the plan year starts unless a qualifying event creates a special open enrollment. 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 amount deducted from each pay period 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.
- Claims can only be approved for services that have already been provided.
- You must incur services and use all elected funds by December 31, 2026. You must submit your claims to Navia Benefit Solutions **no later than March 31, 2027**. 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 Health Care Authority. Once the money is forfeited, you will not be able to claim it. (See "[How do I get reimbursed?](#)" for details.)
- You must enroll in DCAP for each year you want to participate. Enrollment does not automatically continue from plan year to plan year.

How does the DCAP work if I am divorced with children?

Your child(ren) must live with you for more than half of the year 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.

How much should I enroll for?

- **During open enrollment**, enroll for the amount equal to your annual care expenses, up to the maximum contribution. The amount deducted from each pay period is your election amount divided by the number of paychecks you receive in the plan year. For example, if you elect \$3000 and receive 24 paychecks a year, your contribution will be \$125, tax-free, each pay period.
- **When you first become eligible or after a special open enrollment event**, estimate your expenses for the **remainder** of the plan year (when you become eligible through December). The election amount you select will be taken out in equal portions from your remaining paychecks for the year. For example, you are newly eligible upon being hired September 1. You should calculate your expenses for September through December. If you enroll for \$1,000, and would normally receive 24 paychecks a year, your contribution will be \$125, tax-free, for each of the remaining 8 pay periods in September through December

When can I enroll and how do I do it?

There are three occasions when you are eligible to enroll in a DCAP.

1. You are newly eligible.

Enroll no later than 31 days after the date you become eligible for PEBB benefits.

- To enroll, submit the *PEBB Mid-Year Enrollment Form* to your payroll or benefits office. You can find the form online at pebb.naviabenefits.com or request it from your employer. (**Exception:** University of Washington [UW] and Washington State University [WSU] employees must enroll through Workday.)

2. You are enrolling during the PEBB Program's annual open enrollment.

Enroll no later than the last day of the PEBB Program's annual open enrollment.

- You can enroll online using Navia's portal at pebb.naviabenefits.com. (**Exception:** UW and WSU employees must enroll through Workday.) Online enrollment through Navia's portal is only available during the PEBB Program's annual open enrollment.
- 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 or WSU employees.) Navia must

receive your enrollment form **by November 24, 2025**. Forms received after that date will not be accepted for 2026 DCAP enrollment.

- You must enroll in a DCAP each year you want to participate. Your participation does not automatically continue from plan year to plan year.
3. You are enrolling after a life event which qualifies for a Special Open Enrollment.
- Enroll no later than 60 days** after you or an eligible dependent had a qualifying life event, like a birth or marriage, that creates a special open enrollment. 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 — to your payroll or benefits office. (**Exception:** UW and WSU employees must submit the change through Workday.)
 - You can find the form online at pebb.naviabenefits.com or request it from your employer.

Note: If you are newly eligible after open enrollment has ended, you can enroll for the remainder of the current plan year by filling out the Midyear Enrollment Form. If you want to enroll in the upcoming plan year, you will also need to complete the Open Enrollment form within the first 31 days of gaining eligibility.

When does my coverage begin?

- If you enroll when you first become eligible for PEBB benefits, your coverage begins the first day of the month after you become eligible for benefits. For instance, if you gain eligibility September 15, your benefit would begin October 1. If eligibility starts on the first of the month, your coverage begins that day. For instance, if you gain eligibility October 1, your benefit would begin October 1.
- If you enroll during the PEBB Program's annual open enrollment your DCAP coverage is effective the following January 1 through December 31.
- If you have a special open enrollment event that allows you to enroll or make a new election, the enrollment or change will be effective the first day of the month after the later of:
 - The event date.
 - The date your 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 ahead of adoption), the enrollment or change 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 dependent's well-being and protection while you and your spouse, if married, are working, looking for work, or attending school.

A qualifying dependent must live with you and must be age 12 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.

- **Childcare 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:
 - The expenses are not related to medical services;
 - The elderly person is a qualifying individual; and
 - 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 **age 13 and over** incapable of self-care must be qualifying individuals and spend at least eight hours a day in the home. Expenses for such children 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 a Letter of Medical Necessity (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.
 - Children **under age 13** who are incapable of self-care do **not** need to spend at least eight hours a day in the employee's home.
- **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:

- Childcare 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 that occurred 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.

Are there IRS requirements for DCAP participants?

- The IRS requires DCAP participants to identify all persons or organizations that provide dependent care, including name, address and Tax ID number (TIN), which will be an SSN or an Employer ID on their tax return.
- You can request this information from providers with Form W-10, *Dependent Care Provider's Identification and Certification*.

How much should I set aside?

Use the table 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. Submit your claim and documentation to Navia Benefit Solutions for reimbursement. 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 of service
- Description of the services provided
- Amount charged for the service
- Name of the person for whom services were provided

Eligible expenses must occur while you are an active participant in the DCAP. Navia Benefit Solutions will not reimburse any expenses that occurred before your effective date of enrollment in DCAP or after the plan year ends.

Expenses may also be paid directly at the point-of-sale using the Navia Benefits debit card. See [The Navia Benefits Debit Card](#) section for more information.

You may submit claims for expenses prior to when they have been paid by you, and you can submit claims as often as you'd like. However, you cannot be **reimbursed** until after the date of service occurs. Also, reimbursement cannot exceed the account balance at the time you submit your claim.

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 5179 Fresno, CA 93755
- **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*. All claim methods are subject to the above documentation requirements.

Navia Benefit Solutions will process your claim within a few business days. If approved, Navia will make an electronic funds transfer into your bank account (if you enrolled in direct deposit) or mail you a reimbursement check. If your claim requires additional documentation, processing could be delayed.

You may enroll in direct deposit at any time by logging into your participant account at pebb.naviabenefits.com. Keep in mind that deposits by electronic funds transfer may take a few business days to appear in your account. Navia will deduct a \$10 fee from your DCAP balance for any returned items due to incorrect banking information.

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 attempting to cash or deposit the canceled check will be deducted from your Navia account as well as the amount 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. Remember, all services should be incurred by the end of the plan year.

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. All of your eligible DCAP expenses must be incurred by December 31. You must submit all claims for your DCAP account to Navia Benefit Solutions for reimbursement by March 31 of the following year. Money left in your account after that date **cannot be refunded and will be forfeited** to the plan administrator, the HCA. This is called 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 email delivery either online at pebb.naviabenefits.com or by contacting Navia Benefit Solutions directly.

The Navia Benefits Debit Card

The Navia Benefits Debit Card is a convenient way to pay for eligible daycare expenses. You can use your debit card to pay eligible daycare providers directly, rather than submitting claims and waiting for reimbursement. The expense is deducted from your DCAP balance.



Using the debit card does not eliminate the need to submit follow-up documentation when requested by Navia Benefit Solutions. If any of your debit card charges do require substantiation, you will receive a summary of your card activity for those charges from Navia Benefit Solutions at the beginning of each month. **We recommend you always save all your receipts and documentation.**

You must provide a valid email address to receive the debit card when you enroll. If you are also enrolled in the Flexible Spending Arrangement (FSA) or Limited Purpose FSA and have a Navia debit card, your DCAP balance will be loaded onto that existing card.

Debit card requests

You may request a debit card when you enroll or through the Navia Benefit Solutions website. You may request additional cards at no cost. If your debit card is lost or stolen, contact Navia Benefit Solutions immediately so we can help protect your account from unauthorized transactions.

When can I make changes?

Generally, you can only change your election amount during the PEBB Program's annual open enrollment. However, you can make changes during the year if you experience a qualifying event that creates a special open enrollment as described in WAC 182-08-199(3) and you provide evidence of the qualifying event, 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 employee has assumed a legal obligation for support ahead of adoption
 - 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 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.

Return your *PEBB Change in Status Form* along with proof of your qualifying event to your payroll or benefits office for approval. Unless stated otherwise, your employer must receive the *Change in Status Form* and evidence of the qualifying event **no later than 60 days** after the qualifying event. Your employer will submit an approved form to Navia Benefit Solutions for processing. The change to your

DCAP election may be delayed or denied if proof of the qualifying event is not received with the *PEBB Change in Status Form*. (**Exception:** UW and WSU employees must submit the change in status through Workday.)

Under Internal Revenue Code (IRC) sections 125 and 129, it may be necessary for Navia Benefit Solutions to lower 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. DCAP expenses incurred during the leave of absence 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, you must submit the *PEBB Change in Status Form* to Navia Benefit Solutions **no later than 60 days** after returning to work. (**Exception:** UW and WSU employees must use Workday.) If you submit the form more than 60 days after returning to work, Navia 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 eligible for participation in the DCAP; and
- There is no more than a 30-day lapse in employment within the same plan year. 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 *PEBB Agency Transfer Form* to your new payroll or benefits office **no later than 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 and WSU 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 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, 2027. 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. If you receive a denial of your appeal from Navia Benefit Solutions and you disagree with that decision, you may submit a second-level appeal through the Brief Adjudicative Proceeding (BAP) process to the Public Employees Benefits Board (PEBB) Appeals Unit as described in Washington Administrative Code (WAC) 182-16-2050(3).

You may resubmit your claim to Navia Benefit Solutions with more information **no later than March 31, 2027**. 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 dates 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 outcome of your appeal within 30 calendar days. Appeals are approved only if the extenuating circumstances and supporting documentation are within IRS regulations and other requirements outlined in this guide.

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 5179 Fresno, CA 93755

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 second level appeal.

The PEBB Appeals Unit must receive your second-level appeal **no later than 30 calendar days** after the date of the Navia decision notice of your appeal. The contents of your request for a second-level appeal are to be provided as described in WAC 182-16-2070. Include a copy of the denial notice you received from Navia with your appeal along with any supporting documentation.

You may choose to 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:

- **Online:** through HCA Support at <https://support.hca.wa.gov/hcasupporthttps://support.hca.wa.gov/hcasupport>
- **Hand Delivery:** Health Care Authority
626 8th Ave SE
Olympia, WA 98501
- **Fax:** 360-763-4709
- **Mail:** Health Care Authority
PEBB Appeals Unit
PO Box 45504
Olympia, WA 98504-5504

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