

Dependent Care Assistance Program (DCAP)

THE COST OF DAY CARE CONTINUES TO SKYROCKET!! DCAP CAN HELP.

The open enrollment period for the 2008 plan year is currently underway and will continue through December 7th, 2007.

The Dependent Care/Day Care Assistance Program (DCAP) provides a tax-free way for you to pay for dependent care expenses, allowing you to save money on the cost of these services. The State of Connecticut recognizes that it has become increasingly difficult to pay for these expenses while you are employed. It is for this reason that the Office of the State Comptroller, under the provisions of C.G.S. Section 5-264(b), makes available to you a benefit program that offers significant tax advantages in helping you pay for dependent care expenses.

HOW DOES IT WORK?

Each dollar you put into the DCAP is a dollar not taxed. If, for example, you pay approximately 30% of your income in federal, state and social security taxes, by using the DCAP you would save 30% on the dependent care expenses you pay for from your DCAP. You may contribute up to \$5,000 of your salary to your DCAP (\$2,500 if you file taxes separately). Remember, if you are married, your spouse must also work, be a full-time student, or be disabled.

Whom can I include in my DCAP?

- ⇒ Children under the age of 13, whom you are entitled to claim as dependents on your federal income tax return; and/or
- ⇒ A disabled spouse or other disabled dependent who spends at least eight hours a day in your home.

What services are included?

- ⇒ Care at licensed nursery schools, day camps (not overnight camps) and child care centers which provide day care.
- ⇒ Services from individuals - other than your or your spouse's dependent or children under age 19 who provide care in or outside your home.

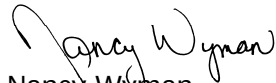
Contact Benefit Concepts, Administrator for the State of Connecticut DCAP program, at 1-877-629-1500 for information regarding DCAP benefits and the enrollment process.

Remember, even if you are currently participating in the DCAP program, you must complete a new election form for the 2008 plan year. Enrollment forms may be downloaded from the OSC web site: www.osc.state.ct.us or by contacting Benefit Concepts at 1-877-629-1500. Enrollment forms must be postmarked by December 7th, 2007. The plan cannot accept late enrollments for any reason.

Dear State Employee:

I encourage you to give careful consideration to this attractive employee benefit as a way to assist in managing your dependent day care expenses while at the same time reducing the amount you pay in taxes each year.

Sincerely,



Nancy Wyman
State Comptroller

