

DEPENDENT CARE FSA

Allowable Expenses

Keep in mind that day care expenses must be for children 12 or younger, unless the child is incapable of self-care.

- **Au Pair:** The costs relating to an au pair for the care of a child are reimbursable.
- **Baby-sitter:** As long as the sitter is not a dependent of the participant, or a spouse, the costs are eligible.
- **Before and after school care**
- **Day Camp:** If not overnight. Only the cost for the child to attend the camp is eligible.
- **Childcare by a relative:** Cannot be a dependent of the plan holder. Must be at least 18.
- **Deposits:** As long as the deposit is for daycare 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.
- **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. We will need a Letter of Medical Necessity.
- **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. However, 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 publication 501 and 503. We will need a Letter of Medical Necessity for any child 13 and over.
- **Extended Day Programs:** Activities provided after school, which are primarily custodial in nature.
- **FICA and FUTA taxes:** Paid to a daycare provider are eligible.
- **Field Trips**
- **Nanny Fees:** Costs relating to the payment of a nanny for the care of a child are reimbursable.
- **Nursery School/Pre-School/Pre-Kindergarten**
- **Registration Fees:** As long as the registration fee is for daycare 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.

Non-Allowable Expenses

- Daycare for a child aged 13 or older
- Enrichment classes/Summer School
- Kindergarten or school tuition (pre-school and before and after care is okay)
- Meals, supplies, transportation costs*, uniforms costs, diaper fees, etc.
- Nursing Home/Long Term Care expenses
- Overnight camps
- Parents Night Out

*The cost of transportation by a Day care provider of a qualifying individual to or from a place where care of that qualifying individual is provided may be for the care of the qualifying individual. The cost of transportation not provided by a Day care provider is not for the care of the qualifying individual.