

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

ELIGIBLE EXPENSES

Expense	Eligibility
Advance payment of day care expense	No
After-school care or extended day programs (supervised activities for children after the regular school program)	Yes, these programs are generally custodial in nature and its primary purpose is care for children while their parents work
Au pair expenses	Yes, but not airfare or other fixed costs
Baby-sitter inside or outside of participant's household	Yes, unless the babysitter is a child of the employee (or spouse) under age 19, or is otherwise claimed as a dependent by the employee or spouse on IRS form 1040
Chauffeur	No
Child of participant, amounts paid to for child care	No, unless child is age 19 or older and cannot be claimed as a dependent of the participant spouse
Cook	Generally no, except where attributable in part to child care
Dependent care center expense	Yes, provided they meet requirements of Code § 21(b)(2)(C)
Disabled spouse or tax dependent that lives outside of household	No, they must regularly spend at least 8 hours per day in the employee's household
Educational expenses - First grade and above	No, educational expenses are not considered expenses for care
Educational expenses - Kindergarten	No, expenses are considered educational in nature and not custodial (regardless of half or full day, private or public, state mandated or voluntary)
Educational expenses - Pre-Kindergarten or Nursery school	Yes, since care is primarily custodial in nature
Elder care / assisted living / custodial care / long term care / nursing home	Only if such expenses are not attributable to medical services and the qualifying individual spends at least 8 hours per day in the participant's household
FICA and FUTA taxes of day care provider	Yes
Food expenses	No, if charged separately from dependent care expense
Household services , (e.g., housekeeper, maid, cook, gardener)	Generally no, except where attributable in part to child care
Incidental expenses, (e.g., extra charges for diaper changing, special activities, etc.)	No, if charged separately from dependent care expense
Looking for work—dependent care expenses incurred to enable participant to look for work	Yes
Nanny expenses	Yes, to the extent the expense is attributable to dependent care expenses and expenses of household services attributable in part to care of qualifying individual
Overnight Camp	No
Registration fees for care	No, most fees don't go toward the care of a qualifying individual
Relative of a participant, expenses paid to for child care (e.g. parent or grandparent of participant)	Relative of a participant, expenses paid to for child care (e.g. parent or grandparent of participant)
Sick-child facility	Yes, if they are incurred to enable a participant to go to work when the child is ill
Sick employee (care for dependent when employee is at home sick)	No
Summer day-camp	Yes, to the extent attributable to dependent care (should be custodial in nature and not educational)
Transportation expenses	No, if charged separately from dependent care expense
Volunteer work - expenses incurred to enable participant to volunteer	No, if the volunteer work is unpaid work or for nominal pay