


Eligible & Ineligible Dependent Care Expenses

Please note that we do not intend these examples to be a comprehensive list or used as tax advice.

Eligible Dependent Care Expenses

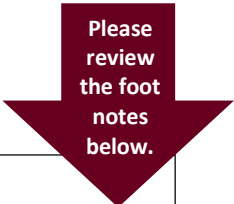
Agency fee ¹	Day care center	Nanny
Application fee ¹	Deposit ¹	Nursery school ⁵
Au pair ²	Elder care ³	Pre-school ⁵
Babysitter	Expenses for care provided by child of employee <i>over</i> age 19	Sick child facility ⁶
Before and/or after school	Late pick-up	Sick employee ⁷
Day camp		Transportation provided by caregiver



Must be for expenses that you pay in order to work (or look for work).
The account covers care for children under age 13, or an adult dependent who is unable to take care of themselves.

Ineligible Dependent Care Expenses

Boarding school	Expenses if spouse does not work (or go to school full time)	Late payment fees
Care while parent volunteers	Food ⁴	Over-night camp
Chauffer	Household cleaning services	Security systems for home
Clothing	Household services	Sick employee
Cook ⁴	Incidental services ⁴	Transportation provided by someone other than care giver
Entertainment ⁴	Late pick up	Tuition
Expenses for care provided by child of employee <i>under</i> age 19	Kindergarten ⁵	Vacation expenses ⁸



Please review the foot notes below.

IMPORTANT

- ¹ Yes, if expense must be paid to obtain care. It may not be reimbursed until care is provided and is forfeited if the employee ultimately chooses a different care provider.
- ² Up-front fee paid to employ the Au Pair may be qualified if expense must be paid in order to obtain care but cannot be reimbursed until care is provided.
- ³ Expenses cannot be attributed to medical care. Person must be a Qualifying Individual and if care is provided outside the employee's home, the elderly person must regularly spend at least 8 hours in the employee's home. Round-the-clock care generally is **not** eligible.
- ⁴ No, if charged separately from dependent care expense. Small amounts may be eligible if incident to and inseparable from cost of care.
- ⁵ IRS considers pre-school and nursery school to be primarily custodial in nature. IRS considers Kindergarten to be primarily educational.
- ⁶ Yes, if primary purpose of care is to allow employee to work and not to provide medical care.
- ⁷ Generally if employee is sick, care is not eligible. However, if employee must pay for care on a periodic basis (e.g. weekly or monthly) and absence is considered to be short and temporary, then a payment for a period that includes the absence as well as work days will qualify. While unclear, "Hold the Spot" fees may qualify if charged in order for the individual to receive care when employee returns to work.
- ⁸ Generally if employee is on vacation, care is not eligible. However, if employee must pay for care on a periodic basis (e.g. weekly or monthly) and absence is considered to be short and temporary, then a payment for a period that includes the vacation as well as work days will qualify. While unclear, "Hold the Spot" fees may qualify if charged in order for the individual to receive care when employee returns to work.