

QUALIFIED DCA EXPENSES

(For Dependent Daycare Flexible Spending Accounts)



* This list is by no means exhaustive. Please consult IRS publications 502 & 503 or contact us (flexinfo@mgis.com) for further information.

GENERAL REQUIREMENTS	
ELIGIBLE	INELIGIBLE
Dependent Children who are age 12 and under at the time of care	Dependents who are age 13 and over at the time of care
Dependent of the taxpayer who is physically or mentally incapable of caring for him/herself	Custodial parent(s) not maintaining gainful employment or full time student status
Spouse of the taxpayer who is physically or mentally incapable of caring for him/herself	Dependent care expenses paid by the non-custodial parent (in the event of separation or divorce)
Dependent Care must be for sole purpose of allowing the custodial parent(s) to maintain gainful employment or full-time student status	
Reimbursement of eligible dependent care expenses up to \$5,000 annually per family, or \$2,500 annually for married individuals filing separate returns	

DEPENDENT CARE EXPENSES	
ELIGIBLE EXPENSES	INELIGIBLE EXPENSES
After School or Extended Day Programs	Chauffeur
Assisted Living, Nursing Homes (only if such expenses are not attributable to medical services and the dependent regularly spends at least eight hours each day in the taxpayer's home)	Cook
Babysitter inside or outside the participant's household (unless the babysitter is a child of the employee under age 19, or otherwise claimed as a dependent by the employee)	Disabled Spouse or Tax Dependent living outside the household
Dependent Care Center Expenses	Educational Expenses (Kindergarten and above)
Dependent Care Expenses incurred in connection with self-employment: allows one or more custodial parent(s) to be gainfully employed	Food Expenses
Education Expenses (Preschool and Nursery School only)	Gardener
Expenses paid to Relative of Participant for Dependent Care (unless the relative is a tax dependent or child under the age of 19)	Household Services (i.e., maid, housekeeper, etc.)
FICA & FUTA Taxes of Daycare Provider	Overnight Camp Expenses
Nanny Expenses	Pre-payment of dependent care expenses (expenses must be incurred to be eligible for reimbursement)
Summer Day Camp (if the primary purpose is custodial and not educational)	