



Tax Savings

A Dependent Care Flexible Spending Account (DCFSA) is a pretax benefit that allows reimbursement for qualified dependent care expenses. Qualified expenses include care for a dependent child under the age of 13 and/or care for your spouse or adult dependent who is physically or mentally unable to care for themselves.

How It Works

Plan participants specify a certain dollar amount to contribute from their paychecks per pay period to their DCFSA. Unlike a Medical FSA, DCFSA's are a pay-as-you-go account, meaning funds are not advanced by the employer. DCFSA election amounts can change or stop during the year if expenses change.

Below is a partial list of eligible and ineligible expenses. All expenses are listed in IRS Publications 503 at www.irs.gov.



Eligible Expenses

- Adult daycare
- After-school care/program²
- Au pair or nanny salary
- Babysitting in your home/ someone else's home¹
- Babysitting by your non-tax dependent relative¹
- Before-school care/ program²
- Care when one parent works days and other parent works nights¹
- Care while living in a foreign country¹
- Care while looking for work
- Care while on family, personal, or medical leave
- Care while you/spouse is working at self-employment¹
- Child daycare or day camp²
- Custodial elder care¹
- Day nursing care¹
- Employer-provided on-site daycare²
- Federal employment taxes (FICA, FUTA) of care provider
- Household services related to dependent care
- In-home care¹
- Nighttime care¹
- Nursery school fees or tuition
- Payroll taxes related to eligible dependent care
- Preschool fees or tuition
- Room and board for caregiver, au pair, or nanny
- Senior daycare¹
- Sick child care¹
- Specialized daycare
- Transportation to and from by the care provider

Ineligible Expenses

- Child care while performing volunteer work
- Educational, learning, or study skills services
- Field trips or sleep-away camp
- Household services (housekeeper, cook, etc.)
- Kindergarten/school tuition
- Meals, food, or snacks
- Medical care or expenses
- Nursing home care for dependent adult(s)
- Summer school

1: Care must be work-related. Restrictions may apply. See IRS Publication 503 for more details.

2: Primary purpose must be custodial care and not educational in nature. See IRS Publication 503 for more details.