



## Eligible Expenses for Dependent FSAs

The Dependent Flexible Spending Account is used for dependent care expenses that allow you (or you and your spouse, if you're married) to work or look for work, or that allow your spouse to attend school full-time. The care may be provided in or outside your home.

On this page, we provide a *partial list* of eligible expenses you may be reimbursed for through your Dependent Flexible Spending Account (FSA) as well as a list of ineligible expenses. For a complete list, see IRS Publication 503: Child and Dependent Care Expenses. You can download the publication at [www.swerdlin.net/flexpak](http://www.swerdlin.net/flexpak).

### Reimbursable Expenses:

- Nanny expenses, for services provided inside your home, are eligible to the extent they are attributable to dependent care expenses and expenses of incidental household services.
- Dependent care expenses incurred for services outside your home, providing they are incurred for the care of a qualifying dependent that regularly spends at least 8 hours per day in your home.
- Registration fees to a daycare facility are eligible as long as the fees are allocable to actual care and not described as materials or other fees.
- Nursery school expenses are eligible, even if the school also furnishes lunch and educational services.
- Food and incidental expenses (diapers, activities, etc.) may be eligible if part of dependent care charge.
- Expenses paid to a relative (e.g. child, parent or grandparent of participant) are eligible. However, the relative cannot be under age 19 or a tax dependent of the participant.
- FICA and FUTA payroll taxes of the daycare provider are eligible.
- Dependent care expenses incurred to enable the employee to find work are eligible.

### Reimbursement Limitations:

The reimbursement may not exceed the smaller of the following limits.

- The maximum allowed under the plan.
- \$5,000 (if you are filing a joint tax return) and \$2,500 if separate returns are filed.
- Your taxable compensation (after all compensation reduction elections).
- If you are married, your spouse's actual or deemed earned income.

### Ineligible Expenses

- Kindergarten fees are almost always an education expense and should never be reimbursed under a dependent care plan.
- Elementary school expenses for a child in first grade or higher are not eligible.
- Food, transportation and incidental expenses (diapers, activities, etc.) are not eligible if charged separately from dependent care expenses.
- Expenses paid to a housekeeper, maid, cook, etc. are not eligible, except where incidental to child or dependent adult care.
- Mass transit and parking.