



# Dependent Care Assistance Program (DCAP)

## Examples of Eligible and Ineligible Expenses

A Dependent Care Assistance Program (DCAP) may also be referred to as a Dependent Care Expense Account (DCE). It allows you to set aside pre-tax dollars to use toward eligible childcare and eldercare expenses. A DCAP account is funded on an accrual basis and funds become available when employee payroll deductions are received and posted.

All expenses must be incurred for the care or household services that include the care of one or more qualifying individuals. A qualifying individual is either

1. a dependent under the age of 13, or
2. physically or mentally unable to care for themselves and lives with the employee more than half of the year, or
3. a spouse of the employee who is physically or mentally unable to care for themselves and lives with the employee more than half of the year.

To be considered "for care," the service must primarily be to protect the individual and their well-being. Educational expenses, for example are generally ineligible. Expenses must be employment-related, meaning they allow for the gainful employment of the employee and spouse seeking reimbursement. Only expenses incurred during the period of service are eligible. Deposits, for example, are not reimbursable until the care is provided.

Please Note: The individual for which you are seeking reimbursement cannot be claimed using the Dependent Care Tax Credit or any other credit (no double dipping).

The following expenses are commonly requested for reimbursement from DCAPs. This list is not comprehensive and is subject to change. In order for any expense to be eligible under your DCAP, supporting documentation is required. Documentation must include:

- the date the service was incurred (not necessarily equal to the date of payment)
- a brief description of the service or product,
- the amount paid for the service

On the next page is a list of eligible and potentially eligible expenses with the Dependent Care Assistance Program.

Expense Type	Eligibility	Comments and Special Rules (if applicable)
<b>After-school care or extended day programs</b>	Potentially eligible	Only eligible if it enables gainful employment of the employee and spouse. While not generally educational, some expenses of an educational nature (e.g., tuition) are ineligible.
<b>Agency fee</b>	Potentially eligible	Eligible if it must be paid as part of the related care. If the fee is forfeited (e.g., the employee uses a different agency), it will not be reimbursed.
<b>Application fee</b>	Potentially eligible	Eligible if it must be paid as part of the related care. If the fee is forfeited (e.g., the employee uses a different agency), it will not be reimbursed.
<b>Assisted living</b>		See also Custodial care and Elder care.
<b>Au pair</b>	Potentially eligible	May be eligible if the au pair provides care to a qualifying individual. Up-front fees may also be eligible if they must be paid to employ the au pair, but they will not be reimbursed until care is provided.
<b>Babysitter (inside or outside participant's household)</b>	Potentially eligible	Eligible to the extent that the babysitter is (1) over the age of 18 and is not the employee's child, stepchild, or eligible foster child; (2) not claimable on IRS Form 1040 by the employee and spouse; (3) not the spouse of the employee; (4) not the parent of the dependent. Payment for a babysitter while an employee and spouse go out for non-work-related events (e.g. dinner) is generally ineligible.
<b>Backup or emergency care</b>	Potentially eligible	Eligible if it enables gainful employment of the employee and spouse (e.g. regular care provider is ill or closed for the day, child is too ill to go to regular care center).
<b>Before-school care or extended day programs</b>	Potentially eligible	Only eligible if it enables gainful employment of the employee and spouse. While not generally educational, some expenses of an educational nature (e.g., tuition) are ineligible.
<b>Boarding school</b>	Potentially eligible	Generally ineligible. The portion of the cost that is for care may be reimbursable as an employment-related expense (e.g. the employee must be away for work and therefore sends their child to boarding school). See also Overnight camp.
<b>Camp</b>		See Day camp and Overnight camp.
<b>Child of employee, amounts paid to</b>	Potentially Eligible	Children under 19 are ineligible. Children age 19 or over are only eligible if neither the employee nor spouse claims the child on their taxes. See also Relative.
<b>Child support payments</b>	Ineligible	Food and lodging is not considered to be for care.
<b>Classes (music, dance, swimming, etc.)</b>	Ineligible	Not considered for care because they tend to be educational. See also Day camp.
<b>Clothing</b>	Potentially eligible	May be eligible if considered an inseparable part of dependent care (e.g., preschool T-shirt included with the care).
<b>Custodial care</b>	Potentially eligible	Eligible to the extent that (1) care is primarily for the qualifying individual's well-being and protection; (2) the qualifying individual (excluding a qualifying child under 13) is at the home of the employee 8 hours or more during the day. See also Elder care and Sick-child facility.
<b>Day camp</b>	Potentially eligible	May be eligible if it is to care for a qualifying individual, even though it may specialize in a specific activity (e.g., sports). Equipment or other associated fees are ineligible. May also be considered a Dependent care center. See also Dependent care center. Summer school is primarily for education and is ineligible. See also Tuition expenses.
<b>Dependent care center</b>	Potentially eligible	The center must be in compliance with all applicable laws. May also be considered a day camp. See also Day camp.



Expense Type	Eligibility	Comments and Special Rules (if applicable)
<b>Deposit</b>	Potentially eligible	Eligible if it is required to obtain the eligible care and only after the service is provided (e.g., payments required at the time of registration). Forfeited fees are ineligible.
<b>Disabled qualifying child under age 13</b>	Potentially eligible	Eligible if it enables the employee and spouse to be gainfully employed. Other restrictions may still apply.
<b>Educational expenses</b>	Potentially eligible	See Kindergarten or Preschool/nursery school.
<b>Elder care</b>	Potentially eligible	Eligible to the extent that (1) care is primarily for the qualifying individual's wellbeing and protection; (2) the qualifying individual (excluding a qualifying child under 13) is at the home of the employee eight hours or more during the day. Continuous care at a nursing home is ineligible. See also Custodial care.
<b>Entertainment</b>	Potentially eligible	Small charges may be eligible if considered an inseparable part of dependent care. Charges separate from dependent care expenses are ineligible.
<b>FICA and FUTA taxes of provider</b>	Potentially eligible	Eligible if the care provider's total expenses are eligible
<b>Food</b>	Potentially eligible	Small charges may be eligible if considered an inseparable part of dependent care (e.g., lunch included with daycare). Charges separate from dependent care expenses are ineligible.
<b>Hold-the-spot fee</b>	Potentially eligible	May be eligible if it is required to re-attain care from the provider when it is needed in the future (e.g. parent is home during leave, then resumes work). Ineligible if the care is not resumed with the same provider.
<b>Household services</b>	Potentially eligible	May be eligible if care of a qualifying individual is part of the duties. Potentially eligible examples: housecleaning services, housekeeper, maid, cook. Ineligible examples: bartender, chauffeur, gardener, home security system. Likely to be carefully examined by the IRS.
<b>Incidental expenses</b>	Potentially eligible	May be eligible if they are considered an inseparable part of dependent care. Separate expenses are ineligible.
<b>Kindergarten</b>	Ineligible	Not considered for care because it is primarily educational. See also After-school care and Before-school care.
<b>Late fees</b>	Potentially eligible	Likely eligible if for late pickup because payment is for additional care of the child. Fees for late payment are ineligible.
<b>Lessons</b>	Ineligible	Not considered for care because it is primarily educational (e.g., music, sports). See also Day camp for eligible examples.
<b>Long-term care expenses</b>	Potentially eligible	See Custodial care and Elder care.
<b>Looking for work</b>	Potentially eligible	Eligible if the employee is actively looking for work because it enables gainful employment. Ineligible if the employee does not find a job and has no income.
<b>Nanny</b>	Potentially eligible	Likely eligible if payment is for care of a qualifying individual. See also Au pair and Registration fees.
<b>Nursery school</b>	Potentially eligible	See Preschool/nursery school.
<b>Nursing home</b>	Potentially eligible	See Elder care.

Expense Type	Eligibility	Comments and Special Rules (if applicable)
<b>Overnight camp</b>	Ineligible	Not considered to enable gainful employment of the employee and spouse. See also Day camp.
<b>Parent of employee's under-age-13 qualifying child</b>	Ineligible	See also Relative.
<b>Part-time employment</b>	Potentially eligible	May be eligible if payment for care covers period that includes work and non-work days (e.g., weekly or monthly daycare payments). Daily payments are only eligible for working days.
<b>Placement fees for finding a dependent care provider</b>	Ineligible	Not considered required to obtain care. May be eligible if required to obtain care. See also Au pair.
<b>Preschool/nursery school</b>	Potentially eligible	Programs below Kindergarten are considered to be for care. Must also allow gainful employment of the employee and spouse.
<b>Recreation</b>	Potentially eligible	Small charges may be eligible if considered an inseparable part of dependent care. Charges separate from dependent care expenses are ineligible.
<b>Registration fee</b>	Potentially eligible	Eligible if it is a requirement to obtain the eligible care. Fees not likely to be reimbursed until the care is provided. Forfeited fees are ineligible. See also Deposit.
<b>Relative</b>	Potentially eligible	Eligible to the extent that the relative is (1) over the age of 18 and is not the employee's child, stepchild, or eligible foster child; (2) not claimable on IRS Form 1040 by the employee and spouse; (3) not the spouse of the employee; (4) not the parent of the dependent. Payment to a relative while an employee and spouse go out for non-work-related events (e.g. dinner) is generally ineligible.
<b>Self-employment, expenses</b>	Potentially eligible	Eligible if expenses are incurred for eligible care services.
<b>Services provided outside U.S</b>	Potentially eligible	Eligible if the service provided is for care and enables the employee and spouse to be gainfully employed. Foreign care providers are not required to obtain a U.S. tax ID in order to be reimbursed for the service.
<b>Sick-child facility</b>	Potentially eligible	Only eligible if it enables gainful employment of the employee and spouse and the primary purpose is dependent care.
<b>Sick employee (payments to provider for periods when sick employee stays home)</b>	Potentially eligible	Eligible if the absence is less than two consecutive weeks and the employee is required to pay for care. Other absences are unlikely eligible. See also Hold-the-spot fee.
<b>Spouse of employee</b>	Ineligible	See also Relative.
<b>Summer day camp</b>		See Day camp.
<b>Summer school</b>	Ineligible	Not considered for care because it tends to be educational. See also After-school care and Before-school care.
<b>Transportation expenses</b>	Potentially eligible	Eligible if the transportation is to or from the place of care and the transportation is provided by the dependent care provider. Other expenses may be eligible if they are considered an inseparable part of dependent care. Likely to be carefully examined by the IRS.
<b>Tuition expenses</b>	Ineligible	Not considered for care because it tends to be educational. See also After-school care and Before-school care.



Expense Type	Eligibility	Comments and Special Rules (if applicable)
<b>Tutoring programs</b>	Ineligible	Not considered for care because it tends to be educational.
<b>Unemployment</b>		See Looking for work (e.g., expenses that allow an employee to actively seek employment).
<b>Vacation</b>	Potentially eligible	Eligible if the absence is less than two consecutive weeks and the employee is required to pay for care during the absence (e.g., monthly daycare payments where the absence occurs during that period). Other absences are unlikely eligible. See also Hold-the-spot fee and Part-time employment.
<b>Volunteer work</b>	Ineligible	Not considered the enable gainful employment of the employee and spouse. May be eligible if paid significantly for the work.

## FSA — Dependent Care Assistance Plan (DCAP) Accounts Frequently Asked Questions

### When will I have access to my entire DCAP election?

You will have access to the funds as they are deposited into the account by your employer.

### What if I submit my dependent care receipt before I've accrued enough through payroll reductions to cover that expense?

For dependent care expenses, reimbursement is available only after those funds have been payroll deducted by your employer and transmitted to us. If you have a portion of the funds available when we receive your request, we'll issue a partial reimbursement right away. We will issue a reimbursement for the balance of your request as soon as adequate funds become available.

### What is the turnaround time for processing and reimbursing a DCAP reimbursement request?

Reimbursement takes about one week from the date we receive your dependent care claim, as long as those funds have already been payroll deducted by your employer and sent to us.

### How far in advance can I claim for DCAP?

We will process a claim received up to two weeks in advance of the upcoming month.

### How do I submit a claim?

Complete and sign a Request for Reimbursement from FSA or HRA form or login to MyFlex and submit a claim along with your documentation. If your dependent care expenses are consistent, consider setting up recurring reimbursements—see next question for more information.

### How do recurring reimbursements work?

Simply complete our Dependent Care Recurring Expense form, have your dependent care provider complete their portions, and then send it to us via MyFlex, fax, or mail. Once it's set up, you won't need to submit any additional documentation. As we receive payroll deductions, we'll automatically generate recurring reimbursements based on a flat weekly, biweekly, or monthly rate. The arrangement is valid for the duration requested or for the current plan year, whichever is less. If you need to make a change to your recurring reimbursement before the plan year is over, simply submit a new form, and we'll make the adjustment.