



## Flexible Spending Dependent Care Account (DCA) Overview

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### Maximum DCA Election



The maximum amount that can be elected for the DCA is limited to the lesser of:

- A. \$5,000 for single individuals or married couples filing joint returns
- B. \$2,500 for married couples filing separate returns
- C. the employee's earned income (if less than \$5,000/\$2,500) or
- D. the spouse's earned income (if less than \$5,000/\$2,500).

If your spouse is a full-time student or incapable of self-care, your spouse is considered to earn \$250 monthly for 1 dependent or \$500 monthly for 2 or more dependents.

### Which is better, DCA or the Dependent Care Tax Credit?

If your household adjusted gross income exceeds \$43,000, it is likely the DCA will provide greater tax savings.

### What expenses are eligible for reimbursement?

- Childcare services for dependent children under age 13
- Child and Adult care services for any dependent who is mentally or physically incapable of self-care

The care must be necessary for you and your spouse to work, look for work, or go to school full time.

#### Examples of eligible expenses:

- Before and after-school care
- Childcare at a day camp, nursery school, or by a private sitter
- Early drop-off and late pick-up fees
- Summer or holiday day camps, including registration fees
- Expenses for a housekeeper whose duties include caring for an eligible dependent
- Activities in lieu of daycare when the fees associated with the activity are incidental to, or cannot be separated from, the cost of care (swimming lessons, arts and crafts, music lessons, etc.)
- Care of an incapacitated adult who lives with you at least eight hours a day
- Placement fees for a dependent care provider, such as an au pair

### What expenses are not eligible for reimbursement?

Examples of ineligible DCA expenses include:

- Education or tuition fees for kindergarten and above are not eligible expenses
- Expenses for children age 13 and older
- Late payment fees
- Overnight camps
- Payment for services not yet provided (payment in advance)
- Field trips, clothing and food
- Transportation to and from the dependent care provider



## DCA Eligible Expense Q&A

### Can I use a DCA to pay for a babysitter in my home rather than using a daycare center?

Yes. You can include expenses paid to a babysitter if the services are necessary in order for you and your spouse, if married, to work, look for work, or for your spouse to attend school full-time.

### Can I be reimbursed for dependent care expenses if the provider is not an adult?

- Yes, if the provider is between ages 13-19 and you do not claim them on your taxes as a dependent and they do not live in your home.
- No, if the dependent care provider is someone you can claim as your dependent on your Federal income tax return or to your child who is under age 19.

### My under-age-13 child goes to private school. Are tuition payments qualified child care?

No. School tuition is not child care. But before/after school care is a qualified expense.

### My under-age-13 child goes to day camp during the summer. Is that qualified child care?

Yes, if attendance at that camp allows you and your spouse to work, look for work, or for your spouse to attend school full-time. Overnight camp is not an eligible expense.

## DCA Reimbursement

Your DCA funds are available to use as you make pre-tax payroll contributions to the DCA. You may access funds via:

- **FSA Debit Card** - Dependent care provider must have ability to accept credit/debit cards as payment.
  - Save receipts to document card transactions per IRS regulations.
- **Submit a reimbursement request form** - [click here to access](#)
  - For dependent care reimbursement you may either: (1) Fill out all items in the **Dependent Care Expenses** section and attach a receipt of your payment **OR** (2) Fill in your dependent's name, age, date of service and the requested amount, and have your daycare provider fill out the **Affidavit of Dependent Care Provider**.
- **Submit online** at [www.stanleybenefits.com](http://www.stanleybenefits.com).
  - [Click here](#) for online login and claim submission instructions.

We are unable to accept cancelled checks, credit card receipts and balance due statements as proof of service.

**Perpetual Claims for Dependent Care Reimbursement** may be filed once a year or in advance of service that is received if the payment is sent directly to the Provider of the daycare Service. The IRS does not allow prepayment of daycare services. Payment will be disbursed to the provider as services are rendered and funds are available. To request this form, please contact [flex@stanleybenefits.com](mailto:flex@stanleybenefits.com) or call us at 877-727-3539.