



2006 Eligible/Ineligible Expenses

QUALIFIED DCAP EXPENSES

(For the Dependent Care Assistance Plan)

This is only a partial list. Please consult IRS publication 503 for further information.

<http://www.irs.gov/pub/irs-pdf/p503.pdf>

GENERAL REQUIREMENTS	
ELIGIBLE	INELIGIBLE
Dependent children under the age of 13	Dependent children over the age of 13
Dependent of the taxpayer who is physically or mentally incapable of caring for him/herself	Dependent care expenses paid by 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
Education Expenses (Preschool and Nursery School only)	Educational Expenses (above Preschool)
After School or Extended Day Programs	Pre-payment of dependent care expenses (expenses must be incurred to be eligible for reimbursement)
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)	Babysitting for social events
Summer Day Camp (if the primary purpose is custodial and not educational)	Overnight Camp Expenses
Nanny Expenses	Household Services (i.e., Maid, Housekeeper, Chef, Cook, Gardener, Chauffeur, etc.)
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)	Disabled Spouse or Tax Dependent living outside the household
FICA & FUTA Taxes of Daycare Provider	