



## Employee Benefit Concepts, Inc.

*Not just insurance, but total assurance*

28800 Orchard Lake Road Suite 210 • Farmington Hills, Michigan 48334

Mailing Address • P.O. Box 2365 • Farmington Hills, Michigan 48333-2365  
Phone 248-855-8040 • 248-855-2454 Fax • Outside (248) 1-800-355-8040

[www.employeebenefitconcepts.com](http://www.employeebenefitconcepts.com)

**Employee Benefit Concepts, Inc.**  
a Group Resources® company

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### Qualified expenses – Elder Day Care Assistance

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#### Elder Day Care assistance expenses that DO qualify for reimbursement

**Elder and adult dependent daycare expenses that qualify must allow you and your spouse, if you are married, to work, look for work or attend school:**

- Housekeeper and nurse's fees, for services provided inside your home, are eligible to the extent they are attributable to elder care expenses and expenses of incidental household services.
- Elder care expenses incurred for services outside your home, providing they are incurred for the care of a dependent that regularly spends at least 8 hours per day in your home.
- Food and incidental expenses may be eligible if part of dependent care charge.
- Expenses paid to a relative (e.g. child) 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

#### Elder and adult dependent care expenses that DO NOT qualify for reimbursement:

- Overnight stays at medical or recreational facilities.
- 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 adult dependent care.
- Mass transit and parking.

#### How does this plan compare to the credit on my Form 1040?

Whether or not to participate in the Dependent Care Benefit (DCB) or to take the tax credit when you file your taxes depends on your income, filing status, number of dependents, and annual dependent care expenses. Use our easy calculator to determine your savings.

#### Limitations: Adult dependent care expenses may not exceed the smaller of the following limits:

- The maximum allowed under the plan.
- \$5,000 (if you are married and filing a joint tax return or are filing as single, head of household) and \$2,500 if you are married and separate returns are filed.
- Your taxable compensation (after all compensation reduction elections). If you are married, your spouse's actual or deemed earned income.
- Eligible expenses include daycare costs for dependent elders or a dependent who is physically or mentally incapable of self care.
- The dependent must spend at least 8 hours a day in your household

#### Limitation on qualified expense

Your plan may restrict the reimbursement of one or more of these items. Check with your plan administrator. The total amount of all qualified expenses paid may not exceed the maximum allowed under the plan. Please review your Summary Plan Description or see your plan administrator for more information.

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Website: [Http://www.employeebenefitconcepts.com](http://www.employeebenefitconcepts.com)

Email: [claims@employeebenefitconcepts.com](mailto:claims@employeebenefitconcepts.com)

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