



VitaFlex Dependent Care Flexible Spending Account Educational Care is Not Eligible

Background

The IRS regulates that all care reimbursed on a tax-free basis under a Dependent Care Flexible Spending Account must be custodial in nature. The primary function of the care given must be to provide for the well-being and protection of the dependent. The care cannot be primarily *educational in nature*.

What is Educational Care?

Any care provided to the dependent that is not distinguishable from regular school would be considered educational care. Such services would include tuition for school (kindergarten and above), tutoring and summer school. This educational restriction applies even if the care is outside of a public or private school system. Further examples include after-school learning centers or educational programs.

The Problem

Many summer camps and after-school centers that parents utilize to take care of their children while they are at work actually provide educational care rather than custodial care. Although we understand that it is appealing for parents to place their child(ren) in a program that will enrich their education, the IRS regulates that such care will not be eligible for a tax-free benefit.

Example of Educational Care

If the program mimics the schedule of regular school, it would be considered educational in nature. Below is an example of an actual after-school program that is considered to be educational and is, therefore, not eligible for reimbursement under a Dependent Care Flexible Spending Account. As you can see, this program mimics a regular school schedule because it is arranged with educational classes and breaks. The subjects addressed are also very comparable to a regular school schedule.

	Mon	Tue	Wed	Thu	Fri
3:00 – 3:50	Homework Tutoring / English and Math Enhancement				
3:50 – 4:00	Break				
4:00 – 4:50	Language Conversation Training	Language Writing	Language Conversation Training	Language Writing	Language Conversation Training
4:50 – 5:00	Break				
5:00 – 5:50	Music Training	Arts and Crafts	Story Telling	Cooking Basics	Science and Computers
5:50 – 6:00	Clean Up / Parents Pick-up				

What Does This Mean For You?

If you choose to take your child to a dependent care provider that offers educational care, the expenses will not be eligible for reimbursement under your Dependent Care Flexible Spending Account. If your dependent is learning educational information from a qualified professional/teacher, your claim will be denied even if the care is provided so that you can go to work. Please do not take these expenses into consideration when making your election.

Contact VitaFlex

Please contact VitaFlex if you have any questions or if you would like to have a specific program reviewed for eligibility. We can be reached via e-mail at flex@vitamail.com or via phone at (650) 966-1492 or (800) 424-3052.