<Package 6, Blog 1: 10 ways to use your DCFSA>

Ten ways to use your DCFSA

Paying for childcare or eldercare can feel overwhelming. However, you have a valuable tool at your disposal. Your Dependent Care Flexible Spending Account (DCFSA) is designed to help you cover eligible care costs for those who rely on you most. Even better? Your DCFSA is funded with pre-tax dollars.

Ten eligible expenses for your DCFSA

As you plan out your year—including what care your child or elderly loved one might need— understanding what your DCFSA can pay for is a big deal. Here are 10 ways to use your DCFSA funds.

1. Babysitting

Whether the babysitter comes from inside or outside your household, you could use your DCFSA dollars to pay the costs. Just make sure you keep track of receipts from the babysitter and use them when seeking reimbursement.

2. Child daycare

If your child goes to daycare, the cost may be covered by your DCFSA. It’s even possible to set up recurring payments from your DCFSA so you don’t have to remember to pay each week or month.

3. Elder daycare

Perhaps you’re caring for an elderly loved one. If you can claim the elder as a dependent on your taxes, your DCFSA dollars may help pay for their care. This can be a huge relief if you need to work.

4. Summer day camp

Planning summer activities for the kids while you get some work done? Your DCFSA can help cover the cost of summer day camps. You can pay directly using your debit card1 or get reimbursed by filing a claim later. Make sure you keep your receipts.

Although day camps are eligible for DCFSA spending, overnight camp isn’t. So, if you plan to send your child to sleepaway camp, you won’t be able to use DCFSA dollars.

5. Before- and after-school programs

Because the DCFSA covers dependent children under the age of 14 (depending on your plan), you can still take advantage of these pre-tax dollars even if your child is in school. If your child’s school offers paid programs for before and after school, you can use DCFSA funds to cover the cost. This can provide you with a way to extend the school day so you can work or accomplish other tasks.

6. Nanny expenses

You might find it’s more helpful to your household to hire a nanny. If this is the case, you could use your DCFSA dollars to cover those costs. As always, though, you need to go through the process of documenting the childcare.

Some nannies also provide basic household services. However, these aren’t eligible for DCFSA coverage. If your nanny provides household services in addition to childcare duties, these need to be separated out. Use a documentation system that divides the childcare from the household duties and use your DCFSA to cover only the childcare services.

7. Sick-child care center

Some daycares won’t accept your child if they’re sick. Likewise, you don’t want to send your child to school sick. However, if you still need to work, you might be able to make use of a sick-child care center. Your pre-tax DCFSA dollars may cover the cost of that care—just save the receipt for documentation purposes.

8. Preschool

Help your child get a head start by sending them to preschool. You could use your DCFSA to pay for preschool costs. Log into your member account and set up recurring payments from your DCFSA to simplify the process and make sure you never miss a payment.

9. Caregivers for a qualifying person

If you hire a household employee to provide care for a dependent, you could use your DCFSA dollars to pay for their care-related duties.

A qualifying dependent includes:

* Children under the age of 14 (depending on your plan)
* Spouse who can’t care for themselves either physically or mentally
* An adult tax dependent who lives with you who can’t physical or mentally care for themselves

As long as the caregiver is hired to provide care services while you’re at work or school, you can pay for the care portion of their services out of the DCFSA.

10. Dependent care while you are seeking work

If you or your spouse are looking for work and you need someone to watch your eligible dependent, your DCFSA can help. Save your receipts and submit them for reimbursement from your DCFSA when you need eligible child or adult care help as you look for a new job.

Review eligible expenses

Although many eligible expenses are covered by your DCFSA, not everything qualifies. For example, you can’t use your DCFSA to pay for tuition expenses at a private school or for field trip costs. Review [HealthEquity’s list of eligible expenses](https://www2.healthequity.com/learn/dependent-care-expenses) before filing a claim or setting up a recurring payment.

1Your HealthEquity® Visa® Healthcare Card can be used at participating merchants who sell eligible healthcare products or services everywhere Visa debit cards are accepted. Your HealthEquity Visa Healthcare Card is issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank; Member FDIC.

HealthEquity does not provide legal, tax, or financial advice. Always consult a professional when making life-changing decisions.

HealthEquity does not provide legal, tax, or financial advice.