

Summer Camps and Dependent Care FSAs

Many parents enroll their children in camps during the summer months and it's the season for questions about how Dependent Care Flexible Spending Accounts (FSAs) can be used for summer camp expenses.

Summary

- Day camp expenses **are** eligible for reimbursement from a Dependent Care FSA **as long as they provide custodial care for children under the age of 13, so the parent(s) can work, look for work, or attend school full-time**. This applies even if the camp specializes in sports (i.e., basketball, volleyball, etc.) or computers.
- Costs associated with overnight camps **do not** qualify for reimbursement from a Dependent Care FSA, even if you can break out the cost attributed to daytime hours.
- Costs that are primarily for educational purposes (tutoring, music lessons, dance lessons, swimming lessons, etc.) **do not** qualify for reimbursement from a Dependent Care FSA.

If a registration fee, deposit, or other payment is required in advance of when the camp is held, the expense is only eligible for reimbursement after the child has attended the camp, as the service must be incurred prior to reimbursement.

If an employee did not elect a Dependent Care FSA at the beginning of the plan year, and has enrolled their child in day camp, this is a permitted election change event (due to the addition of a new day care provider). This allows an employee to enroll in the Dependent Care FSA mid-year. Enrolling in a day camp also allows a current participant to increase their election mid-year. Generally, only expenses incurred after the effective date of the change of election are eligible for reimbursement towards the new election or the mid-year election change.

Details

What is a Dependent Care FSA?

A Dependent Care FSA is an Internal Revenue Code (IRC) § 129 account that allows a participant to set aside up to a defined plan limit (see our [Plan Limits](#) page) per calendar year on a pre-tax basis to pay for qualified dependent care expenses. Qualified dependent care expenses must meet the following criteria:

- Incurred during the period of coverage (the Plan Year), including the grace period (if applicable)
- Employment related expenses to care for a qualifying dependent

A qualifying dependent is:

- A qualifying child or qualifying relative under age 13 (provided not a qualifying child of any other taxpayer during the year)
- A qualifying child or relative 13 or older who cannot care for themselves and has the same address as the employee for more than 50% of the year
- A spouse if he or she is physically or mentally disabled or incapable of self-care and has the same address as the employee for more than 50% of the year

Examples of qualifying care include:

- Care at home or at a day care facility
- Care before and after school at school
- Day Camp (may include sports camp, computer camp, etc.)

Certain care does not qualify. Types of ineligible care include:

- Care for a night out (not employment-related)
- Care provided by your spouse or your child who is under age 19 at the end of the year
- Care provided by a person you can claim as your dependent

What is a Day Camp?

According to the IRS, the cost for summer day camp is eligible for reimbursement under certain circumstances. Day camps may serve the function of day care because they provide custodial care for children under the age of 13 while parent(s) are working, going to school, or looking for work.

Expenses for day camp are reimbursed after the expense has been incurred. Claims are only eligible if:

- The care is for a qualifying child or qualifying relative while the participant (and spouse, if applicable) are working, looking for work, or a full-time student
- The service is incurred during the plan year
- If a participant enrolled in the Dependent Care FSA mid-year, claims may only be reimbursed on or after the date of the enrollment (Note: Based on temporary COVID relief, employers may amend applicable plan years to allow claims to be submitted retroactively to 1/1/2021)
- The participant submits third-party documentation as proof of the expense

Keep in mind that in order to report these expenses at the end of the year with your federal income tax return you need to include the federal ID number for the summer camp and should be prepared to get this from the provider.

What types of care do not qualify as Day Camp?

There are many types of summer opportunities that do not qualify.

- Overnight camps (even if day camp portion can be broken out).
- Camp during non-work hours
- Summer school or tutoring camps
- Field trip fees or meals if broken out separately
- Primarily educational (i.e. swimming lessons, music lessons, dance class, etc.)
- Transportation expenses related to camp if broken out separately
- Equipment fees or other associated materials related to the camp environment

Eligible Day Camp Expenses

Only day camp on work days may be reimbursed. When a day camp is being attended by the child for the entire week, and a parent is not working any one of those days, they are only reimbursed for the prorated share of the expenses while working.

If a parent wants to request reimbursement for the registration fees paid to hold a day camp spot immediately after payment, they can submit the expense for consideration under the Dependent Care FSA. However, the parent needs to understand that the claim is held as eligible and pending until the day camp dates occur. At that point, the system releases the claim for payment automatically.