



## What does it mean to be “gainfully employed”?

This means that you are working and earning an income (i.e. not doing volunteer work). You are not considered gainfully employed during paid vacation time or sick days. Gainful employment is determined on a daily basis.

If you are married, then your spouse would also need to be gainfully employed for your day care expenses to be eligible for reimbursement.

You are also considered gainfully employed if you are unemployed but actively looking for work, you are self-employed, you are physically or mentally not capable of self-care, or you are a full-time student (must attend for the number of hours that the school considers full-time, must have been a

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## What are some other important IRS regulations?

- You cannot be reimbursed for dependent care expenses that were paid to (1) one of your GSHQGHQWV \RXU VSRXVH RU RQH RI \RXU FKLOGUHQ ZKR LV XQGH
- In the event that you use a day care center that cares for more than six children, the center must be licensed.
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## What are some other important IRS regulations?

The IRS allows you to take a tax credit for your dependent care expenses. The tax credit may provide \RX ZLWK D JUHDWHU EHQH¿W WKDQ WKH '\$3 LI \RX DUH LQ D ORZHU WD[E the tax credit or the DCAP is best for you, you will need to review your individual tax circumstances. You cannot use the same expenses for both the tax credit and the DCAP, however, you may be able to coordinate the federal dependent care tax credit with participation in the DCAP for expenses not reimbursed through DCAP.

For more information, please call

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