

PACT ADMINISTRATIVE SERVICES CORP.

36816 N. Deerview Dr. Ste 102
Lake Villa, IL 60046

PHONE: 847-265-6772
FAX: 847-265-2373

ELIGIBLE AND INELIGIBLE DEPENDENT DAY CARE EXPENSE LISTING

ELIGIBLE EXPENSES:

Day camps, nursery schools, and after-school programs and daycare centers are eligible.

All must be expenses that allow you and your spouse, if married, to be gainfully employed. Gainful employment includes being a full time student. Expenses for care of dependents below kindergarten are eligible even if education is provided.

Care provided at your home, at a provider's home, or at a dependent care center (providing the center complies with all applicable state and local regulations) is eligible. Care provided outside your home, either in a day care center or at the provider's home is only eligible if the care is provided to a dependent under the age of 13 for whom you are allowed to claim an exemption for federal income tax purposes or is provided to any other qualifying person who regularly spends at least eight hours each day in your household.

Lodging provided for an in-home babysitter can be paid when submitted with dependent care charges.

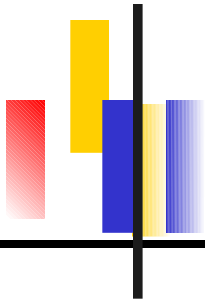
Utilities for provider's (in-home provider) lodging when submitted with dependent care charges.

Meals for provider (in-home provider) when submitted with dependent care charges.
Taxes paid on wages for household help.

FICA/Social Security taxes as long as the day care provider is the employee the taxes are being paid on.

ALL CLAIMS FROM ELIGIBLE PROVIDERS MUST BE ACCOMPANIED ON THE FIRST CLAIM WITH THE PROVIDERS TAX ID NUMBER, FEIN NUMBER AND/OR THEIR SOCIAL SECURITY NUMBER.

Specializing in Creative Solutions for your clients in the Group Health Insurance market. Your authority for Health Reimbursement Arrangements (HRA), Health Savings Accounts (HSA) and Flexible Spending Account (FSA) administration services.



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INELIGIBLE EXPENSES:

Dancing lessons, field trips, swimming lessons, diapers, transportation, meals, clothing, and educational services. Note: If these expenses are incidental to and part of the total bill and cannot be separated, they are eligible.

Overnight camp (including the day-time portion).

Babysitting fees paid for a healthy child while parent is recuperating from an illness (regardless of doctor's advice.)

Payment for chauffeur or gardener.

Tuition for schooling in kindergarten or higher.

Placement fees for finding a dependent care provider (e.g., Au Pair).

Payment to a housekeeper while you are out sick

FOR COMPLETE DETAILS PLEASE VISIT IRS.GOV FOR ADDITIONAL DETAILS OF ELIGIBLE AND INELIGIBLE EXPENSES FOR DEPENDENT DAYCARE UNDER SECTIONS 105, 106 AND 129.

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