

GUIDELINES FOR ELIGIBLE REIMBURSEMENTS

GENERAL

PLEASE COPY ALL ENCLOSURES FOR YOUR PERSONAL REFERENCE AND INCOME TAX RECORDS

- If you have not submitted the medical/dental expense to your insurance plan(s), please do so prior to submission on this Flexible Spending Account Reimbursement Request Form.
- If you apply for reimbursement of an expense that the IRS later determines to be ineligible, those reimbursements may be taxed as ordinary income and certain penalties may apply, according to the Internal Revenue Code. Similar treatment will be applied to overpayment of reimbursed expenses or reimbursement for expenses that have already been reimbursed from some other source.
- In general, Section 125 of the Internal Revenue Code governs the tax status of Flexible Benefit Plans.

HEALTH CARE REIMBURSEMENT For more information about qualifying relatives and eligible expenses, refer to IRS publication 502.

The following expenses are eligible for reimbursement under a Health Care Reimbursement Account. The maximum amount you can contribute is \$2,080 per plan year (July 1st through June 30th).

- Abortion related services
 - Acupuncture
 - Ambulance
 - Chiropractic related services
 - Contraceptives, including, but not limited to oral contraceptives, contraceptive devices (i.e. Diaphragms, IUD's), contraceptive injectables (i.e. Depo-Provera), or contraceptive implants (i.e. Norplant)
 - Deductible, coinsurance and co-payments
 - Dental fees – exams, fillings, x-rays, dentures, orthodontic fees, etc., payment can only be considered for services actually performed during the plan year, including the initial placement fee, and monthly adjustment fees and not the total orthodontia fee.
 - Hearing aids and batteries
 - Laser surgery for vision improvement
 - Medical fees such as x-ray and laboratory services
 - **Over-The-Counter (OTC) drugs.** Must meet the definition of “medical care” in IRC section 213(d)(1) which defines “medical care” to include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure of function of the body. For example, antacids, allergy medicine, pain relievers, cold medicine would be considered expenditures for “medical care”.
- IMPORTANT: THE IRS WILL ONLY PERMIT REIMBURSEMENT OF OTC MEDICATIONS WITH A PHYSICIAN'S PRESCRIPTION.** Dietary supplements (i.e. Vitamins) that are merely beneficial to the general health of the employee or the employee's spouse or dependents are not eligible for reimbursement.
- Physical therapy or Occupational therapy by a licensed therapist
 - Physician fees
 - Psychotherapy and psychoanalysis provided the expenses are for medical care
 - Specialized schools to relieve a handicapped condition
 - Sterilization. Tubal ligation or vasectomy
 - Supplies. Contact lens solution, bandages, crutches
 - Transportation expenses, if the expenses are primarily for and essential to medical care
 - Vaccinations and immunizations
 - Vision care – Eye exams, eyeglasses, contact lenses & solution
 - Weight loss programs and/or drugs prescribed to induce weight loss, provided the program is prescribed by a doctor to treat an existing disease (i.e. obesity, heart disease or diabetes)
 - Wheelchairs – includes rental or purchase

DEPENDENT CARE REIMBURSEMENT For more information about qualifying dependents and eligible expenses, refer to IRS publication 503.

Expenses to provide care for your dependents may qualify for reimbursement. Eligible dependents include children under age 13, a disabled child, a disabled spouse or a disabled parent. IRS Regulation limits the amount you can contribute to the dependent care account to \$5,000 for a single parent with children, \$5,000 for a married parent filing jointly, and \$2,500 for a married parent filing separately.

- To be eligible, you must be working while your dependents receive care. Also, if you are married, your spouse must be:
 - A wage earner
 - Or a full-time student for at least 5 months during the year,
 - Or disabled and unable to provide for his or her own care
- Expenses eligible for reimbursement are those incurred to enable you to be gainfully employed, and include covered charges by:
 - Licensed nursery schools and licensed day care centers
 - Individuals –other than your dependents- who provide care for your children in or outside of your home, or for your disabled spouse or dependent parent in your home
 - Housekeepers, maids or cooks in your home to include their lodging in your home, as long as their services are performed for the benefit of your eligible dependent (s)
- IRS Regulations limit the amount of reimbursement expense for dependent care to the lower of the annual earned income of you or your spouse. If your spouse is disabled or a full-time student, this limitation assumes that your spouse earns \$250 per month (one dependent) or \$500 per month (two or more dependents)
 - Under IRS Regulations, qualified individuals can receive tax credit for dependent care costs. This credit is claimed on your personal tax return. You cannot claim the tax credit for any dependent care costs reimbursed from the Dependent Care Reimbursement Account. The maximum amount that can be used for the tax credit is reduced by any amount you used from the Dependent Care Reimbursement Account.