

Eligible Reimbursable Expenses for Flexible Spending Accounts

Medical

Money set aside in this account may be used to pay for medical expenses not paid for by insurance such as deductibles, co-payments and coinsurance amounts. Employees may also use the money to pay expenses not paid by insurance such as vision and dental services. The money may not be used to pay health insurance premiums, cosmetic surgery, cosmetic items or items that improve "general health". IRS publication 502 outlines the guidelines of allowable expenses.

<http://www.irs.gov/publications/p502/index.html>

- Transportation expenses to visit the doctor
- Eye glasses and contact lenses
- Dental expenses, including cleaning
- Podiatrists
- Prescription Drugs
- Medical devices prescribed by a physician
- Co-payments required by your medical plan
- Home care expenses for you and your dependents
- Medical testing and laboratory expenses
- Nutritionist when prescribed by a physician
- Physical therapy
- Acupuncture
- Hearing aids and batteries
- Psychiatric and psychological services
- Any other medical or surgical procedures not covered by insurance

Over-the-Counter Items

The following are some of the items that will remain available without a doctor's prescription. All other over-the-counter items must be submitted with a doctor's prescription in order to be reimbursed.

- Band aids
- Birth control
- Braces & supports
- Catheters
- Contact lens supplies & solutions
- Denture Adhesives
- Diagnostic tests and monitors
- Elastic bandages & wraps
- First aid supplies
- Insulin & Diabetic supplies
- Ostomy Products
- Reading glasses
- Wheelchairs, walkers, canes
- Thermometers

Dependent Care

- May reimburse an employee for up to \$5,000 of dependent care expenses each plan year. (\$2,500 for a married employee filing separate tax returns)
- Eligible dependent care must be for the purpose of allowing the employee, or the employee's spouse, to be gainfully employed or to attend school full-time
- Dependent Care expenses must be incurred before being reimbursed
- Qualified dependents are:
 - Children age 12 and under
 - Disabled spouses or,
 - Dependents who are physically or mentally incapable of self-care and regularly spend at least 8 hours each day in the taxpayer's household
- **Eligible expenses include:**
 - Daycare
 - Nanny
 - Preschool
 - Before and After School Care
 - Summer Day Camp
 - Care for mentally or physically handicapped dependent(s) of any age
- **Ineligible expenses include:**
 - Payment to your spouse
 - Payment to your child who is under 19 at the close of the tax year
 - Overnight camps
 - Sports camps
 - Private schools
 - Kindergarten

GUIDELINES FOR ELIGIBLE REIMBURSEMENT

Please complete all information on the reverse side of this form and follow the below instructions. One form may be used for multiple expenses. You may mail or fax your request to us. If you have questions or need assistance filling out this form you may call us at: (319) 752-3200 or (800) 373-1327.

General Guidelines

- Reimbursement will be made directly to you; you are responsible for paying your provider.
- If you apply for reimbursement of expenses 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 of 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 (Cafeteria) Benefit Plans, of which Employee Reimbursement Accounts are a part. Eligibility for pre-tax reimbursement is covered specifically in Code Sections 105 and 106 (Accident/Health Plans) and Section 129 (Dependent Care).

Medical Expense Reimbursement

- Eligible expenses are qualified medical/dental expenses that are not eligible for reimbursement from any other source. Expenses that can be reimbursed under your health insurance plan should not, for example, be included on this form. Expenses for services which are not medically necessary (i.e. cosmetic) should not be included on this form. You may be reimbursed for expenses for yourself, your spouse and your dependents.
- You may be reimbursed for expenses for yourself, your spouse, and your dependents, as defined in the Internal Revenue Code. You may not seek reimbursement for any child of yours who is 19 years old or older and not a full-time student, or a child who is older than 23 years old, or who otherwise fails to qualify as a dependent under the Internal Revenue Code, regardless of whether that child may qualify as a dependent under state law.
- The following expenses are eligible for reimbursement under a Medical Reimbursement Account:

Allergy medicine	Mileage-round trip to medically necessary providers
Ambulance	Obstetrical Fees
Birth Control	Over-the-Counter Medicines
Chiropractic Care	Orthodontic fees
Contact Lenses and solution	Physician fees
Deductibles and Co- pays	Physicals-Routine, School's, or Sports
Dental Expenses	Prescription Drug Co-Pays
Guide Dog	Therapy-physical or occupational by a licensed therapist
Hearing aids and batteries	Vasectomy
Lasik surgery	Wheelchairs-rental or purchase
Medical Supplies	Vaccinations and immunizations
	X-Ray fees

Dependent Care Reimbursement

- Expenses to provide care for your dependents may qualify for reimbursement. Eligible dependents include children to age 12, a disabled child, a disabled spouse, or a disabled parent.
- To be eligible, you must be working while your dependents receive care. 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 day care centers,
 - individuals— other than your dependents— who provide care for your children in or outside your home, or for your disabled spouse or dependent parent in your home.
- You will be required to provide the name, address, and social security (or other tax I.D.) number of your day care provider on your federal income tax forms at year end.
- 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 \$200 per month for one dependent or \$400 per month for two or more dependents.
- An additional IRS Regulation limits the amount you can contribute to the dependent care account to \$5000 for a single parent with children, \$5000 for a married parent filing jointly, and \$2,500 for a married parent filing separately.
- Under IRS Regulations, qualified individuals can receive a tax credit for dependent care costs. This credit can be 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 the amount you use from the Dependent Care Reimbursement Account.