

Health Care Expenses

FSA Health Care Claims Process

A signed and dated claim form should be accompanied by one of the following:

- An Explanation of Benefits (EOB) from your insurance carrier showing the date of service and out-of-pocket expense(s). If the EOB indicates the procedure is not covered by your health insurance plan, you may be required to submit an itemized statement from the provider.
- For expenses not covered by insurance, an itemized statement from the service provider. The itemized statement should include the patient's name, date(s) of service, procedure description(s), provider name, and the charge(s) for the service. Account balance statements, balance forward statements, cancelled checks, cash register receipts, and credit card receipts are not acceptable third-party documentation (see below for special rules regarding cash register receipts for eligible over-the-counter medications). In some cases, a letter of medical necessity from a medical practitioner may be required.
- For prescription drugs, a pharmacy statement including the name of the pharmacy, patient's name, date of fill, cost, Rx number, and name of the drug.
- An itemized cash register receipt for eligible over-the-counter medications. The name of the medication and the purchase date must be on the receipt.
- Dual-purpose over-the-counter medications (items that have both a medical purpose and a general health/personal/cosmetic purpose) are not reimbursable without a letter of medical necessity from a medical practitioner. A list of dual-purpose items is available online.

Flexible Spending Health Care Account Expense Matrix

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|---|---|
| Acne treatments (e.g. Clearasil, Proactiv) | Yes | No | Standard | Must be used to treat specific medical condition |
| Acupuncture | Yes | No | Standard | |
| Adoption, medical expenses | Potentially | No | Standard + legal documents pertaining to adoption | For medical expenses incurred before an adoption is finalized, if the child was a legal dependent when services were provided |
| Alcohol & drug rehab | Yes | No | Standard | |
| Allergy medicine | Yes | No | Standard | |
| Allergy products & home improvements to treat severe allergies | Potentially | No | Standard + letter of medical necessity | Examples of eligible expenses include: special vacuum cleaners, electro-static air purifiers, pillows and mattresses to alleviate certain allergies, etc. If the product would be owned without the allergy, then the expense is not considered eligible. See Capital expenses |
| Alternative healers, dietary substitutes and drugs and medicines | Potentially | No | Standard + letter of medical necessity | |
| Ambulance transport | Yes | No | Standard | |
| Antacid | Yes | No | Standard | |
| Antihistamine | Yes | No | Standard | |
| Artificial limbs | Yes | No | Standard | |
| Artificial teeth | Yes | Yes | Standard | |
| Aspirin | Yes | No | Standard | |
| Bactine | Yes | No | Standard | |
| Bandages | Yes | No | Standard | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|--|
| Batteries for durable medical equipment | Yes | No | Standard | Participant must note usage of batteries on receipt |
| Birth control pills | Yes | No | Standard | |
| Blood pressure monitoring devices | Yes | No | Standard | |
| Blood sugar test kit and test strips | Yes | No | Standard | |
| Body scan / diagnostic testing | Yes | No | Standard | |
| Braille books and magazines | Potentially | No | Standard + letter of medical necessity | If for the visually-impaired person, only the amount above the cost of regular printed material is reimbursable |
| Breast reconstruction surgery following mastectomy | Yes | No | Standard | |
| Burn garment | Yes | No | Standard | |
| Calamine lotion | Yes | No | Standard | |
| Capital expenses | Potentially | No | Standard + letter of medical necessity | The primary purpose of the expenditure must be for the medical care of the taxpayer, spouse, or dependent. The following information must be provided to determine eligibility: 1. A letter and/or prescription from a physician citing the medical necessity 2. A written certification that states the item is for the patient's individual use, or the percentage of use in relation to other members of the household 3. Third-party appraisal of the participant's home to substantiate the difference between the cost of capital expenditure and the increase in value to the participant's home (the cost of the appraisal is not reimbursable) |
| Carpal tunnel wrist supports | Yes | No | Standard | |
| Cayenne pepper | Potentially | No | Standard + letter of medical necessity | |
| Chelation (EDTA) therapy | Yes | No | Standard + letter of medical necessity | Only if used to treat a medical condition such as lead poisoning |
| Childbirth classes | Yes | No | Standard | See Lamaze and Personal-only expenses |
| Chiropractors | Yes | No | Standard | |
| Chondroitin | Potentially | No | Standard + letter of medical necessity | Only if used to treat a medical condition |
| Christian Science practitioners | Yes | No | Standard | |
| Circumcision | Yes | No | Standard | |
| Claritin | Yes | No | Standard | |
| COBRA premiums | No | No | N/A | |
| Co-insurance, co-payments and deductibles – dental | Yes | Yes | Standard | |
| Co-insurance, co-payments | Yes | No | Standard | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|---|
| and deductibles – medical | | | | |
| Co-insurance, co-payments and deductibles – vision | Yes | Yes | Standard | |
| Cold medicines | Yes | No | Standard | |
| Cold packs | Yes | No | Standard | |
| Cologne | No | No | N/A | |
| Condoms | Yes | No | Standard | |
| Contact lenses, materials and equipment | Yes | Yes | Standard | |
| Contraceptives | Yes | No | Standard | |
| Controlled substances in violation of federal law | No | No | N/A | |
| Cosmetics | No | No | N/A | |
| Cosmetic prescriptions | No | No | N/A | |
| CPR classes | Potentially | No | Standard + letter of medical necessity | |
| Decongestants | Yes | No | Standard | |
| Dental visits (non-cosmetic) | Yes | Yes | Standard | Cosmetic dental procedures are not eligible |
| Dentures | Yes | Yes | Standard | |
| Deodorant | No | No | N/A | |
| Diabetic supplies | Yes | No | Standard | |
| Diagnostic services | Yes | No | Standard | |
| Diapers or diaper service for newborns | No | No | N/A | |
| Diaper rash ointments and creams | Yes | No | Standard | |
| Diarrhea medicine | Yes | No | Standard | |
| Dietary supplements | Potentially | No | Standard + letter of medical necessity | |
| Diet foods | No | No | N/A | Not unless recommended by a physician |
| Disabled dependent's qualified dental or vision expenses | Yes | Yes | Standard | |
| Disabled dependent's qualified medical expenses | Yes | No | | |
| DNA collection & storage | No | No | N/A | |
| Doula (birthing coach) | Potentially | No | Standard + letter of medical necessity | |
| Drug addiction treatment | Yes | No | Standard | |
| Drug overdose, treatment of | Yes | No | Standard | |
| Dual-purpose expenses (items that have both a medical and general/personal/cosmetic purpose) | Potentially | No | Standard + letter of medical necessity | |
| Durable medical equipment | Yes | No | Standard | Crutches, wheelchairs, nebulizers, etc. |
| Dyslexia | Potentially | No | Standard + letter of medical | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|---|-------------------------------|---------------------------------------|--|---|
| | | | necessity | |
| Ear piercing | No | No | N/A | |
| Ear plugs | Potentially | No | Standard + letter of medical necessity | |
| Egg donor fees | Yes | No | Standard | |
| Eggs and embryos storage fees | Yes | No | Standard | Only temporary storage is eligible |
| Electrolysis or hair removal | No | No | N/A | |
| Elevator | Potentially | No | Standard + letter of medical necessity | See Capital expenses |
| Exercise equipment or programs | Potentially | No | Standard + letter of medical necessity | Not unless recommended by a physician to treat a specific medical condition and the equipment would not otherwise be purchased but for treatment of the condition |
| Expenses reimbursed by a health reimbursement account (HRA) | No | No | N/A | |
| Eye examinations, eyeglasses, equipment and materials | Yes | Yes | Standard | |
| Face creams and moisturizers | No | No | N/A | |
| Face lifts | No | No | N/A | |
| Family counseling | Potentially | No | Standard + letter of medical necessity | Not unless recommended to treat a mental disorder |
| Feminine hygiene products (tampons, etc.) | No | No | N/A | |
| Fertility treatments | Yes | No | Standard | |
| Fiber supplements | Potentially | No | Standard + letter of medical necessity | Only if recommended by a physician |
| First aid cream | Yes | No | Standard | |
| First aid kits | Yes | No | Standard | |
| Flu shots | Yes | No | Standard | |
| Fluoridation device | Yes | No | Standard | |
| Foods | Potentially | No | Standard + letter of medical necessity | See Special foods; Meals; Alternative healers, Dietary substitutes; Drugs and medicines; and Personal-only expenses |
| Founder's fee | No | No | N/A | |
| Gauze pads | Yes | No | Standard | |
| Genetic testing | Potentially | No | Standard + letter of medical necessity | If ordered for medical care |
| GIFT | Yes | No | Standard | |
| Glucosamine | Potentially | No | Standard + letter of medical necessity | See Dual-purpose expenses |
| Glucose monitoring equipment | Yes | No | Standard | |
| Glucose tablets | Yes | No | Standard | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|-----------------------------------|-------------------------------|---------------------------------------|--|---|
| Guide dog; other animal aide | Potentially | No | Standard + letter of medical necessity | |
| Hair colorants | No | No | N/A | |
| Hair removal and transplants | No | No | N/A | |
| Hand lotion | No | No | N/A | |
| Health club dues and fees | Potentially | No | Standard + letter of medical necessity | Not unless recommended by a physician to treat a specific medical condition and expense would not otherwise be incurred but for treatment of the condition. Expenses incurred for general health purposes are not eligible. |
| Health institute fees | Potentially | No | Standard + letter of medical necessity | Not unless recommended by a physician |
| Hearing aids | Yes | No | Standard | |
| Hemorrhoid treatments | Yes | No | Standard | |
| Herbs | Potentially | No | Standard + letter of medical necessity | |
| Hormone replacement therapy (HRT) | Potentially | No | Standard + letter of medical necessity | Only if used to treat a medical condition |
| Hospital services | Yes | No | Standard | |
| Hot packs | Yes | No | Standard | |
| Household help | No | No | N/A | |
| Illegal operations and treatments | No | No | N/A | |
| Immunizations | Yes | No | Standard | |
| Inclinators | Yes | No | Standard | |
| Incontinence supplies | Yes | No | Standard | |
| Insect bite creams and ointments | Yes | No | Standard | |
| Insulin | Yes | No | Standard | |
| Insurance premiums | No | No | N/A | |
| Laboratory fees | Yes | No | Standard | |
| Lactaid | Yes | No | Standard | |
| Lactation consultant | Potentially | No | Standard + letter of medical necessity | |
| Lamaze classes | Yes | No | Standard | Only the portion of the class covering the birthing process is covered |
| Language training | Potentially | No | Standard + letter of medical necessity | |
| Lasik eye surgery | Yes | Yes | Standard | |
| Laxatives | Yes | No | Standard | |
| Lead-based paint removal | Potentially | No | Standard + letter of medical necessity | Eligible if done to prevent a child who has or had lead poisoning from eating the paint. The wall surface must be within the child's reach. |
| Learning disability | Potentially | No | Standard + letter | If for a child with dyslexia or a disabled child. |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|--|
| | | | of medical necessity | But school fees for regular schooling normally don't qualify. |
| Lifetime care-advance payments | No | No | N/A | |
| Lipsticks | No | No | N/A | |
| Liquid adhesive for small cuts | Yes | No | Standard | |
| Lodging at a hospital or similar institution (patient only) | Yes | No | Standard | |
| Lodging of a companion | Yes | No | Standard | If accompanying a patient for medical treatment |
| Lodging not at a hospital or similar institution | Yes | No | Standard | Up to \$50 per night if the lodging is primarily for and essential to medical care. The service must be provided by a physician in a licensed hospital or medical care facility equivalent to a licensed hospital. An additional \$50 per night may be reimbursable for a parent or companion who must accompany the patient |
| Lodging while attending a medical conference | No | No | N/A | |
| Long-term care premiums | No | No | N/A | |
| Make-up | No | No | N/A | |
| Marijuana or other controlled substances in violation of federal law | No | No | N/A | |
| Marriage counseling | No | No | N/A | |
| Massage therapy | Potentially | No | Standard + letter of medical necessity | |
| Mastectomy-related special bras | Potentially | No | Standard + letter of medical necessity | Not unless recommended to treat a mental disorder |
| Maternity clothes | No | No | N/A | |
| Meals at a hospital or similar institution (Patient Only) | Yes | No | Standard | Only meals for the person receiving care are eligible |
| Meals not at a Hospital or Similar Institution | No | No | N/A | |
| Meals of a companion | No | No | N/A | |
| Meals; attending a medical conference | No | No | N/A | |
| Medic Alert bracelet or necklace | Yes | No | Standard | |
| Medicare Part B premiums | No | No | N/A | |
| Medical conference admission | Potentially | No | Standard + letter of medical necessity | |
| Medical information plan changes | Yes | No | Standard | |
| Medical monitoring and testing devices | Yes | No | Standard | |
| Medical newsletter | No | No | N/A | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|---|
| Medical records charges | Yes | No | Standard | |
| Medical services | Yes | No | Standard | |
| Medicated lip balm | Yes | No | Standard | Product must be listed as either medicated or having an SPF for sun protection. |
| Menstrual pain relievers | Yes | No | Standard | |
| Motion sickness pills | Yes | No | Standard | |
| Mouthwash | No | No | N/A | |
| Nail polish | No | No | N/A | |
| Nasal sprays | Yes | No | Standard | |
| Nasal strips | Potentially | No | Standard + letter of medical necessity | |
| Naturopathic healers | Potentially | No | Standard + letter of medical necessity | |
| Nebulizer | Yes | No | Standard | |
| Nicotine gum or patches | Yes | No | Standard | |
| Non-prescription drugs used to treat a specific medical condition | Yes | No | Standard | |
| Non-prescription drugs used for general health and /or cosmetic purposes | No | No | N/A | |
| Non-prescription drugs- dual purpose | Potentially | No | Standard + letter of medical necessity | |
| Norplant insertion or removal | Yes | No | Standard | |
| Nursing home expenses | No | No | N/A | |
| Nursing services provided by a nurse or other attendant | Yes | No | Standard | |
| Nursing services for a baby | No | No | N/A | |
| Nutritionist's professional expenses | Potentially | No | Standard + letter of medical necessity | |
| OB/GYN | Yes | No | Standard | |
| Occlusal guards | Yes | Yes | Standard | |
| Office visits - dental | Yes | Yes | Standard | |
| Office visits - medical | Yes | No | Standard | |
| Office visits - vision | Yes | Yes | Standard | |
| One-a-day vitamins | No | No | N/A | |
| Operations - dental | Yes | Yes | Standard | Legal operations only. Cosmetic procedures are not eligible. |
| Operations - medical | Yes | No | | Legal operations only. Cosmetic procedures are not eligible. |
| Operations- vision | Yes | Yes | | Legal operations only. Cosmetic procedures are not eligible. |
| Optometrist | Yes | Yes | Standard | |
| Organ donors | Yes | No | Standard | |
| Orthodontia | Yes | Yes | Standard | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|---|-------------------------------|---------------------------------------|--|--|
| Orthopedic shoes and inserts | Yes | No | Standard | The excess cost over ordinary shoes |
| Osteopath fees | Yes | No | Standard | |
| OTC pregnancy tests/fertility monitors | Yes | No | Standard | |
| Ovulation monitor | Yes | No | Standard | |
| Oxygen | Yes | No | Standard | |
| Pain relievers | Yes | No | Standard | |
| Patterning exercises | Yes | No | Standard | |
| Perfume | No | No | N/A | |
| Permanent waves | No | No | N/A | |
| Personal-only expenses | Potentially | No | Standard + letter of medical necessity | |
| Physical exams | Yes | No | Standard | Not employment related exams |
| Physical therapy | Yes | No | Standard | |
| Podiatrist | Yes | No | Standard | |
| Pregnancy Termination | Yes | No | Standard | Legal terminations only |
| Pregnancy test kits | Yes | No | Standard | |
| Prenatal vitamins | Yes | No | Standard | |
| Prescription drugs used to treat a specific medical condition | Yes | No | Standard | |
| Prescription drugs used for general health and/or cosmetic purposes | No | No | N/A | |
| Prescription drugs-dual purpose | Potentially | No | Standard + letter of medical necessity | Not unless the item is used primarily to prevent or alleviate a physical or mental defect or illness |
| Prescription drugs imported from another country | No | No | N/A | |
| Prescription drug discount programs | No | No | N/A | |
| Prescription eyeglasses | Yes | Yes | Standard | |
| Propecia | Potentially | No | Standard + letter of medical necessity | Not unless hair loss is due to a medical condition |
| Prosthesis | Yes | No | Standard | |
| Psychiatrist | Yes | No | Standard | |
| Psychoanalysis | Yes | No | Standard | |
| Psychologist | Yes | No | Standard | |
| Radial keratotomy | Yes | Yes | Standard | |
| Reading glasses | Yes | Yes | Standard | |
| Recliner chairs | No | No | N/A | |
| Retin-A | Potentially | No | Standard + letter of medical necessity | |
| Reversal of tubal ligation or vasectomy | Yes | No | Standard | |
| Rogaine | Potentially | No | Standard + letter | Not unless hair loss is due to a medical |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|--|
| | | | of medical necessity | condition |
| Rubbing alcohol | Yes | No | Standard | |
| Safety glasses | No | No | N/A | |
| Sales tax on qualified medical expenses (e.g. OTC medications) | Yes | No | Standard | Sales tax will automatically be reimbursed if receipt contains only FSA-eligible expenses. If not the participant is responsible for calculating the sales tax in order for it to be reimbursed. |
| Schools and education, residential | No | No | N/A | |
| School and education, special | Potentially | No | Standard + letter of medical necessity | Only if recommended by a physician |
| Screening tests – Dental or Vision | Yes | Yes | Standard | |
| Screening tests - Medical | Yes | No | Standard | |
| Shaving cream and lotion | No | No | N/A | |
| Shipping and handling fees on eligible expenses | Yes | Yes | Standard | |
| Sick-child facility | No | No | N/A | |
| Sinus medications | Yes | No | Standard | |
| Skin moisturizers | No | No | N/A | |
| Sleep deprivation treatment | Potentially | No | Standard + letter of medical necessity | |
| Smoking cessation | Yes | No | Standard | |
| Special foods | Potentially | No | Standard + letter of medical necessity | |
| Spermicidal foam | Yes | No | Standard | |
| Sperm storage fees | Potentially | No | Standard + letter of medical necessity | Temporary storage only |
| St. John's Wort | Potentially | No | Standard + letter of medical necessity | |
| Stem cell, harvesting and/or storage | Potentially | No | Standard + letter of medical necessity | |
| Sterilization procedures | Yes | No | Standard | |
| Student health fee | No | No | N/A | |
| Sunglass clips | No | No | N/A | |
| Sunglasses (prescription) | Yes | Yes | Standard | |
| Sunglasses (non-prescription) | No | No | N/A | |
| Sunburn creams and ointments | Yes | No | Standard | |
| Sunscreen | Yes | No | N/A | |
| Supplies to treat medical condition | Yes | No | Standard | |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|---|-------------------------------|---------------------------------------|--|--|
| Surrogate expenses | No | No | N/A | |
| Take-home drug test | No | No | N/A | |
| Take-home pregnancy test | Yes | No | Yes | |
| Take-home urinary tract infection test | Yes | No | Standard | |
| Tanning salons and equipment | No | No | N/A | |
| Teeth whitening | No | No | N/A | |
| Telephone for hearing-impaired persons | Yes | No | Standard | |
| Therapy | Yes | No | Standard | |
| Thermometers | Yes | No | Standard | |
| Throat lozenges | Yes | No | Standard | |
| Toiletries | No | No | N/A | |
| Toothache and teething pain relievers | Yes | Yes | Standard | |
| Toothbrushes | No | No | N/A | |
| Toothpaste | No | No | N/A | |
| Transplants | Yes | No | Standard | |
| Transportation to and from medical conference | Potentially | No | Standard + letter of medical necessity | See Medical conference admission, transportation, meals, etc. |
| Transportation and travel expenses for person receiving dental care | Yes | Yes | Standard | 2009 Mileage Rates: Mileage is reimbursable at \$.24 per mile for 1/1/09 – 12/31/09. 2008 Mileage Rates: Mileage is reimbursable at \$.19 per mile for 1/1/08 – 6/30/08 and reimbursable at \$.27 per mile for 7/1/08 – 12/31/08. Note: Participants are required to itemize mileage expenses on the claim form. |
| Transportation and travel expenses for person receiving medical care | Yes | No | Standard | 2009 Mileage Rates: Mileage is reimbursable at \$.24 per mile for 1/1/09 – 12/31/09. 2008 Mileage Rates: Mileage is reimbursable at \$.19 per mile for 1/1/08 – 6/30/08 and reimbursable at \$.27 per mile for 7/1/08 – 12/31/08. Note: Participants are required to itemize mileage expenses on the claim form. |
| Transportation and travel expenses for person receiving vision care. | Yes | Yes | Standard | 2009 Mileage Rates: Mileage is reimbursable at \$.24 per mile for 1/1/09 – 12/31/09. 2008 Mileage Rates: Mileage is reimbursable at \$.19 per mile for 1/1/08 – 6/30/08 and reimbursable at \$.27 per mile for 7/1/08 – 12/31/08. Note: Participants are required to itemize mileage expenses on the claim form. |
| Transportation of someone other than the person receiving dental or vision care | Potentially | Potentially | Standard | Only certain cases are reimbursable. 1) A parent who must travel with a sick child receiving medical care. 2) A nurse or other person who administers medication or injections to a patient. 3) An individual's visits |

| Expense Description | Eligible Under a Regular FSA? | Eligible Under a Limited Purpose FSA? | Substantiation | Processing Notes |
|--|-------------------------------|---------------------------------------|--|---|
| | | | | to a mentally-ill dependent, if recommended as part of treatment |
| Transportation of someone other than the person receiving medical care | Potentially | No | Standard | Only certain cases are reimbursable. 1) A parent who must travel with a sick child receiving medical care. 2) A nurse or other person who administers medication or injections to a patient. 3) An individual's visits to a mentally-ill dependent, if recommended as part of treatment |
| Tubal ligation | Yes | No | Standard | |
| Umbilical cord, freezing and storing of | Potentially | No | Standard + letter of medical necessity | Collection and storage of indefinitely "in case needed" is not eligible for reimbursement |
| Vaccines | Yes | No | Standard | |
| Varicose veins, treatment of | No | No | N/A | |
| Vasectomy | Yes | No | N/A | |
| Veneer | No | No | N/A | |
| Viagra | Yes | No | Standard | |
| Virtual physical (body scan) | Yes | No | Standard | |
| Vision discount programs | No | No | N/A | |
| Vitamins | No | No | N/A | |
| Walker | Yes | No | Standard | |
| Wart remover treatments | No | No | N/A | Only to treat a medical condition |
| Weight-loss programs and/or drugs prescribed to induce weight loss | Potentially | No | Standard + letter of medical necessity | Only if recommended by a physician |
| Wigs | Potentially | No | Standard + letter of medical necessity | Not unless hair loss is due to a medical condition |
| X-rays - Dental | Yes | Yes | Standard | |
| X-rays - Medical | Yes | No | Standard | |

Dependent Care Expenses

Dependent Care Claims Process

A signed and dated claim form must accompany each claim.

- Dependent care expenses must be incurred to allow you and your spouse (if married) to work or look for work. Work includes actively looking for work, but not unpaid volunteer work or volunteer work for a nominal salary. Your spouse is considered to have worked if they are a full-time student for at least five calendar months during the tax year, or if they are physically or mentally incapable of self-care.
- You may not claim any other tax benefit for the tax-free amounts received by you under the dependent care FSA, although the balance of your eligible employment-related expenses may be eligible for the dependent care credit. Please consult your tax advisor to determine whether the tax credit may be more favorable to you than participating in the dependent care FSA.
- The child of a divorced or separated employee who has custody of the child is treated as a qualifying individual of the employee. This rule applies even when the non-custodial parent is entitled to the dependency exemption because the custodial parent has released the claim to the exemption. A divorced, non-custodial parent cannot be reimbursed under a dependent care FSA; the divorced, custodial parent can be reimbursed.
- If both the participant and the provider certifications on the claim form are completed and signed, additional documentation is not required.
- For claim forms without the provider's signature, an itemized statement from the dependent care provider is required.
- Itemized statements should include the date(s) of service, the name and date of birth of the dependent, itemization of charges, and the provider's name, address and Tax ID/SS number.
- Expenses paid for dependent care while off work due to illness may be eligible for reimbursement.

Dependent Care Expense Matrix

| Expense Description | Eligible? | Substantiation | Processing Notes |
|--|-------------|----------------|--|
| After school care | Yes | Standard | |
| Agency fees | Potentially | Standard | Agency fees may be employment-related expenses if the participant is required to pay these expenses to obtain care. However, these fees may not be reimbursed until the care is provided. Forfeited fees are not eligible for reimbursement. |
| Au Pair | Yes | Standard | Amounts paid for the actual care of the dependent are eligible. See Agency fees |
| Care for a child age 13 or older | No | N/A | |
| Care for a child under age 13 | Yes | Standard | There is a special rule for children of divorced parents. The child is a qualifying individual of the "custodial parent". A divorced, non-custodial parent cannot be reimbursed under a DCAP. |
| Care for a spouse or other tax dependent who is physically or mentally incapable of self-care (e.g. elderly dependent) | Potentially | Standard | Individual must reside in the participant's home at least eight hours a day. See Nursing home care |
| Care for person not residing w/ participant | No | N/A | |
| Childcare placement fees (i.e. finder's fee) | No | N/A | |
| Early morning care | Yes | Standard | |
| Fieldtrip/activity fees | No | N/A | Ineligible unless incident to and inseparable from the cost of care. |

| | | | |
|---|-------------|----------|---|
| Lessons in lieu of care | No | N/A | |
| Materials fees | No | N/A | Ineligible unless incident to and inseparable from the cost of care. |
| Meals | No | N/A | Ineligible unless incident to and inseparable from the cost of care. |
| Nanny | Yes | Standard | Only actual care of the dependents is eligible. |
| Nursing home care for a spouse or other tax dependent who is physically or mentally incapable of self-care (e.g. elderly dependent) | No | N/A | |
| Overnight camp | No | N/A | |
| Payments to a participant's spouse or to a parent of the participant's child who is not the participant's spouse. | No | N/A | |
| Registration fees | Potentially | Standard | Agency fees may be employment-related expenses if the participant is required to pay these expenses to obtain care. However, these fees may not be reimbursed until the care is provided. Forfeited fees are not eligible for reimbursement. |
| School tuition for kindergarten or above | No | N/A | |
| Sick child facility | Yes | Standard | |
| Summer day camp | Yes | Standard | Advance payment for the entire summer is not eligible. Expenses are eligible |
| Transportation expenses to/from care | Potentially | Standard | Only the cost of transportation to or from where care is provided furnished <i>by a dependent care provider</i> may be an employment-related expense (e.g. transportation to and from a day camp or to an after-school program not on school premises). |
| Tuition for pre k/nursery school | Yes | Standard | |

Commuter Expenses

Transportation/Parking Claims Process

- A signed and dated claim form must be submitted with each claim along with the provider name, date of service, and amount charged.
- Expenses must be incurred by an employee to park their car on or near the business premises of their employer or a location from which the employee commutes to work.
- Expenses must be for transportation provided by:
 - Mass transit facilities, whether or not publicly owned
 - The services of any person in the business of transporting persons for compensation or hire in a “Commuter Highway Vehicle”
 - A “Commuter Highway Vehicle”
 - Carpool (i.e., two or more individuals who commute together in a motor vehicle on a regular basis)
- A receipt is required unless receipts are unobtainable through the normal course of business (e.g., metered parking). If a receipt is unavailable, the participant should check the appropriate box under “Supporting Documentation” on the transit claim form.

**Note: WiredCommute must be used for transit expenses (substantiation is not required for orders made through WiredCommute).*

Transportation Expense Matrix

| Parking Expenses | Eligible? | Substantiation | Monthly Reimbursable Amount |
|---------------------------------------|-----------|----------------|--|
| Parking passes | Yes | Standard | 2009 Monthly Reimbursable Amount: \$230.00 2008 Monthly Reimbursable Amount: \$220.00 |
| Park & ride expenses | Yes | Standard | |
| Parking meters (at or near work) | Yes | Standard | |
| Public Transportation Expenses | | | |
| Bus | Yes | Standard | |
| Car maintenance | No | N/A | |
| Ferry | Yes | Standard | |
| Gasoline | No | N/A | |
| Mileage | No | N/A | |
| Subway | Yes | N/A | |
| Taxis | No | N/A | |
| Tolls | No | N/A | |
| Transit passes | Yes | Standard | Monthly Reimbursement Amount: \$230.00 (3/1/09 – 12/31/10) 2009 Monthly Reimbursement Amount: \$120.00 (1/1/09 – 2/28/09) 2008 Monthly Reimbursement Amount: \$115.00 |

Orthodontia Expenses

Orthodontia Claims Process

Orthodontic services may be provided over an extended period of time. The expenses for the entire period of treatment are sometimes required to be paid as a single sum at the beginning of the treatment period, or a substantial initial payment is required, followed by period installment payments during the course of treatment. Although reimbursable expenses must relate to services actually provided during a particular coverage period, and not to when you are billed or pay for the services, it may be difficult to allocate specific portions of the total fee to dates of service. For these reasons, orthodontic expenses may be reimbursed using one of two methods.

1. Incurred Expenses Method – You may be reimbursed upfront for all qualified expenses paid in the current plan year. Documentation must include treatment start date, anticipated treatment end date, proof of payment, and a completed claim form. If payment for orthodontia is made in full, the full contract amount, not to exceed your annual election, will be reimbursed. To receive reimbursement for the full contract amount:

- a. Payment must be made within the applicable plan year; and
- b. Proof of payment must be provided with your claim.

Incurred Expenses Method Example: 24-Month Orthodontia Contract/Cost = \$3500.00 including a \$500 charge for initial treatment (banding) expenses.

- Treatment Start Date: August 1, 2008
- Estimated Completion Date: July 31, 2010
- Plan Year: January – December

| | |
|--|----------------|
| August 2008 – August Initial Treatment (i.e. banding) - Full contract amount paid at initial visit | \$3,500 |
| August 2008 – Participant submits claim to include treatment start date, anticipated treatment end date, proof of payment , and a completed claim form | |
| Total Orthodontia Treatment Expenses Reimbursable in August 2008 (assuming sufficient account balance is available) | \$3,500 |

2. Monthly Approach – You may be reimbursed for the initial payment usually associated with banding fees. Thereafter, you may file a monthly claim for the monthly payment amount. Please note a treatment plan or itemized statement is required with the initial contract/banding claim. The documentation should include the amount of the initial down payment (usually associated with banding fees), the treatment start date, and anticipated treatment end date. For ongoing monthly claims, an itemized statement or payment coupon from the provider and a signed claim form are required.

Monthly Approach Example: 24-Month Orthodontia Contract/Cost = \$3500.00 including a \$500 charge for initial treatment (banding) expenses.

- Treatment Start Date: August 1, 2008
- Estimated Completion Date: July 31, 2010
- Plan Year: January – December

| | |
|---|----------------|
| August 2008 – August Initial Treatment Expense (i.e. banding) | \$500 |
| August 2008 – August Regular Monthly Expense | \$125 |
| September 2008 – December 2008 - Participant submits a \$125 claim each month - (4 mos x \$125). Four separate claims. | \$500 |
| 2009 – Regular Monthly Expenses - Participant submits \$125 claim each month - (12 mos x \$125). Twelve separate claims. | \$1,500 |
| 2010 – Regular Monthly Expenses - Participant submits \$125 claim each month - (7 mos x \$125). Seven separate claims. Treatment completed end of July 2010. | \$875 |
| Total Orthodontia Treatment Expenses | \$3,500 |