

Use Your FlexOptions Accounts Wisely

Know your Eligible and Ineligible Expenses

The IRS defines eligible health care expenses as amounts paid for the diagnosis, cure, mitigation or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental condition or illness. This list is not meant to be all-inclusive. For a more comprehensive list, please visit www.copower.com/financial and click on the *Eligible Expense* button.

Eligible Expenses*

DENTAL SERVICES

- Dental X-Rays
- Dentures
- Exams/Teeth Cleaning
- Extractions
- Fillings
- Gum Treatment
- Oral Surgery
- Orthodontia/Braces

LAB EXAMS/TESTS

- Blood Tests
- X-Rays
- Cardiographs
- Laboratory Fees
- Metabolism Tests
- Urine/Stool Analysis

VISION SERVICES

- Eye Examinations
- Eyeglasses
- Contact Lenses
- Laser Eye Surgeries
- Artificial Eyes
- Prescription Sunglasses
- Radial Keratotomy/LASIK

MEDICAL TREATMENTS/PROCEDURES

- Acupuncture
- Alcoholism and Drug Addiction (inpatient treatment)
- Hearing Exams
- Hospital Services
- Infertility

- In Vitro Fertilization
- Norplant Insertion or Removal
- Physical Examination (not employment-related)
- Physical Therapy
- Reconstructive Surgery (if medically necessary due to a congenital defect or accident)
- Speech Therapy
- Sterilization
- Transplants (including organ donor)
- Vaccinations/Immunizations
- Vasectomy and Vasectomy Reversal
- Weight Loss Programs (as prescribed by your doctor)
- Well Baby Care

MEDICAL EQUIPMENT, SUPPLIES and SERVICES

- Abdominal/Back Supports
- Ambulance Services
- Arches/Orthopedic Shoes
- Contraceptive, prescribed
- Counseling
- Crutches
- Hearing Devices and Batteries
- Hospital Bed
- Learning Disability (special school/teacher)
- Medic Alert Bracelet or Necklace
- Oxygen Equipment
- Prescribed Medical and Exercise Equipment
- Prosthesis
- Splints/Casts or Support Hose (if medically necessary)

- Syringes
- Transportation Expenses (essential to medical care)
- Tuition Fee at Special School for Disabled Child
- Weight Loss Drugs (to treat specific disease)
- Wheelchair
- Wigs (hair loss due to disease)

MEDICATION

- Insulin
- Prescribed Birth Control and Vitamins
- Prescription Drugs

OBSTETRIC SERVICES

- Lamaze Class (child rearing classes excluded)
- Midwife Expenses
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre and Postnatal Treatments

PRACTITIONERS

- Allergist
- Chiropractor
- Christian Science
- Dermatologist
- Homeopath
- Naturopath
- Osteopath
- Physician
- Psychiatrist
- Psychologist

Ineligible Expenses

The IRS does not allow the following expenses to be reimbursed under FSAs and HSAs. This list is not meant to be all-inclusive.

- Baby-sitting and Child Care
- Contact Lens or Eyeglass Insurance
- Cosmetic Surgery/Procedures
- Dancing/Exercise/Fitness Programs
- Diaper Service
- Electrolysis
- Personal Trainers or Exercise Equipment
- Hair Loss Medication
- Hair Transplant

- Health Club Dues
- Insurance Premiums and Interest (allowed for HSA)
- Long Term Care Premiums (allowed for HSA)
- Marriage Counseling
- Maternity Clothes
- Vitamins or Nutritional Supplements
- Swimming Lessons
- Teeth Whitening/Bleaching

* The Limited Health Flexible Spending Account (LHFSA) covers Dental, Vision and Preventive Services only.

Over-The-Counter Items

The IRS allows certain over-the-counter (OTC) to be reimbursed from the HSA, HFSA, and LHFSA plans if they are used to alleviate or treat personal injuries, sickness and current illness, but not when used for general health purposes. Individual employers have the final determination of which expenses are covered and how OTC purchases can be made in the FlexOptions plan they offer.

Here is a brief listing of some of those items:

- Acne Preparations
- Allergy & Sinus Medications (Antihistamines, Claritin, Asthma Flow Meters & Nebulizers, Primatene Mist, Nasal Spray and Strips)
- Baby Care (Petroleum Jelly, Diaper Rash Ointment, Thermometers, Pediatric Electrolyte Solutions)
- Cough, Cold & Flu Medications
- Condoms & Contraceptive Devices
- Diabetes Care/Accessories
- Digestive Aids (Antacids, Laxatives, Lactose Intolerance Medications)
- Eye Care (Contact Lens Solution, Eye Drops, Reading Glasses)
- First Aid Products (Antibiotics, Analgesics and Ointments; Bug Bite Medications; Sunburn Cream; Bandages, Rubbing Alcohol, Wart Removal Products, Supports and Braces; Wound Care Products)
- Foot Care (Cushions, Pads, Creams, Anti-fungal Medications)
- Health Monitors and Medical Equipment (Blood Pressure and Heart Rate Monitors, Crutches, Medical Bracelets)
- Hemorrhoid Treatments
- Homeopathic Medicines
- Incontinence Supplies
- Lice and Scabies Treatment
- Nausea and Motion Sickness Medications
- Pain and Fever Reducers (Aspirin, Acetaminophen, Menstrual Cycle and Migraine Medications, Muscle/Joint Pain Relief Creams, Heating Pads)
- Pregnancy Products (Ovulation Monitor, Pregnancy Testing Kits, Prenatal Vitamins)
- Smoking Cessation Products
- Toothache and Teething Pain Relievers
- Weight Loss Drugs—to treat a specific medical condition

Dependent Care Assistance Program (DCAP)

Under DCAP, the IRS allows eligible employees to pay for qualified daycare expenses on a tax favored basis. The participant and spouse must be gainfully employed, seeking gainful employment, or in school for the following expenses to qualify under the plan.

The following is a sample list of eligible and ineligible expenses.

ELIGIBLE EXPENSES

- After-school care or extended day programs
- Amounts paid to babysitter inside or outside participant's home
- Pre-kindergarten/nursery school etc.
- FICA or FUTA taxes of day care provider
- Nanny and Au Pair expenses (Agency fee)
- Application Fee (after service begins)
- Expenses paid to relative (e.g., parent or grandparent of participant for child care)
- Sick-child center
- Summer day camps
- Adult day care

INELIGIBLE EXPENSES

- Educational expenses—kindergarten, first grade and above
- Overnight camp expenses
- Housekeeping expenses not related to dependent day care
- Sick employee (that is, care for a dependent while the sick employee stays home)
- Transportation expenses
- College tuition
- Diaper service
- Tuition fees and deposits
- Residential nursing homes
- Piano, dancing, art, ballet lessons, etc.
- Activity fees
- Health care expenses for a dependent

Visit us at www.CoPower.com or call **888.920.2322** and press **3** for more information.