

# Day Care Expense Account

## Eligible Expenses

Most day care costs for your dependents are eligible if the care is work-related. You can use your day care expense account to pay expenses that allow you to work provided they are directly related to the care of dependent children or adults. You can be reimbursed with your own pre-tax dollars for expenses such as day care center for your child or in-home care for an elderly parent or spouse who is not capable of self-care. To qualify for reimbursement, the care must be necessary to allow you to work. If you're married, your spouse must be employed outside the home, disabled, or a full-time student.

## Ineligible Expenses

Your day care expense account will help you save the money on most day care expenses, but it cannot be used in the situations listed here. The following list is not comprehensive, but it does include common day care expenses which do not qualify for reimbursement:

- Care provided by your spouse, child under age 19, or anyone you can claim as a tax dependent
- Clothing
- Education
- Entertainment
- Food
- Overnight camp expenses

## Eligible Dependents

Expenses must be for the care of "dependents" who spend at least eight hours per day in your home and depend on you for financial support. This includes:

- Your children under age 13, if you can claim them as a deduction on your income tax return. As a rule, the parent who has custody of the child for the greater part of the year (the "custodial" parent) can claim the child as a dependent.
- Your spouse who is physically or mentally unable to care for himself/herself and has gross income of less than \$3,100 (indexed pursuant to Code Section 151 (d)).
- Other dependents of any age, if they are physically or mentally unable to care for themselves and have gross income of less than \$3,100 – indexed pursuant to Code Section 151 (d). You must pay more than one-half the cost of their support and be able to claim them as dependents on your federal income tax return.

## Contributions to Your Account

During the annual benefit enrollment, you must decide whether to participate in the day care expense account and how much to contribute.

Maximum Annual Day-Care Contribution: \$5,000 (\$2,500 if married and filing taxes separately).



Tax Favored Accounts

877-453-4201

[www.talltreehealth.com](http://www.talltreehealth.com)



## Health Care Expense Account – Sample Expenses

### Medical Expenses

Acupuncture  
Addiction Programs and Products  
Adoption (Medical Expenses)  
Alternative Healer Fees  
Allergy Relief  
(Oral Medication & Nasal Spray)  
Ambulance  
Antacids and Heartburn Relief  
Arthritis Pain Relieving Creams  
Anti-itch and Hydrocortisone Creams  
Artificial Limbs  
Athlete's Foot treatment  
Body Scans  
Care for the Mentally Handicapped  
Chiropractor  
Cold Medicines  
(Syrups, Drops, Tablets)  
Crutches  
Diabetes (Insulin, Glucose Monitor)  
Eye Patches  
Fertility Treatment  
Fever & Pain Reducers (Aspirin, Tylenol)  
First Aid (Bandages, Gauze, Creams)  
Hearing Aids & Batteries

Hypnosis (For Treatment of Illness)  
Incontinence Products (Depends, Serene)  
Joint Support Bandages and Hosiery  
Laxatives  
Monitoring Device  
(Blood Pressure, Cholesterol)  
Motion Sickness Medication  
Physical Exams  
Prescription Drugs  
Psychiatrist/Psychologist  
Physical Therapy  
Smoking Cessation Relief  
(Patches, Gum)  
Speech Therapy  
Stomach & Digestive Relief  
(Pepto-Bismol, Imodium)  
Tooth and Mouth Pain Relief  
(Orajel, Anbesol)  
Urinary Pain Relief  
Vaccinations  
Vaporizers or Humidifiers  
Wart Removal Medication  
Weight Loss Rx/Programs  
Wheelchair

### Dental Expenses

Artificial Teeth  
Co-Payments  
Deductible  
Dental Work  
Dentures  
Orthodontia Expenses  
Preventive Care at Dentist Office  
Bridges, Crowns, Etc.

### Vision Expenses

Braille- Books & Magazines  
Contact Lenses  
Contact Lens Solutions  
Eye Exams  
Eye Glasses  
Laser Surgery  
Office Fees  
Seeing-Eye Dog and its Upkeep

### What is NOT Eligible?

For Additional Information, Visit [www.mbicard.com](http://www.mbicard.com)

Health care expenses that do not qualify as a federal income tax deduction under IRS Section 213 do not qualify for payment through your expense account. The following list includes many of the common expenses that generally do not qualify for reimbursement, although these expenses may be eligible if they are prescribed by a physician.

Personal Hygiene  
(Deodorant, Soap, Shaving Cream, Sanitary Products)  
Breast Pump  
Cosmetic Surgery  
Cosmetics (Makeup, Lipstick, Cotton Swabs, Cotton Balls, Baby Oil)  
Denture Care (Denture Cleansers and Denture Adhesive Creams)  
Diapers  
Exercise Equipment  
Hair Care  
(Hair Color, Shampoo, Conditioner, Brushes, Hair Loss Products)  
Health Club or Fitness Program Fees  
Homeopathic Supplements or Herbs

Household or Domestic Help  
Massage Therapy  
Maternity Clothes  
Nail Care & Personal Grooming (Scissors, Nail Files)  
Nutritional and Dietary Supplements  
(Bars, Shakes, Powder Drinks, Pedialyte)  
Routine Dental Care (Toothpaste, Toothbrushes, Floss, Anti-bacterial Mouthwashes, Fluoride Rinses, Breath Strips, Teeth Whitening)  
Skin Care (i.e. Sun Block, Moisturizing Lotion, Lip Balm)  
Sleep aid (Oral Medications, Snoring Strips)  
Vitamins  
Weight Reduction Aids (Slimfast, Appetite Suppressants)



## Health Care Expense Account

## Tall Tree Administrators

### What is a Health Care Expense Account?

Your health care expense account allows you to save money by paying out-of-pocket health care expenses with pre-tax dollars.

While the Company's medical insurance provides comprehensive coverage for most of your needs, there are treatments, services, and supplies that are not completely covered. The health care expense account gives you the opportunity to set aside a portion of you pay on a pre-tax basis to cover these expenses.

You will deposit the money in your account through pre-tax payroll deductions. You will file claims and receive payment after incurring eligible expenses. Careful planning is important, because any funds not spent at the end of the Grace Period must be forfeited.

### Contributions to Your Account

You fund your health care expense account by depositing pre-tax dollars from your pay. During your annual benefit enrollment, you must decide whether to participate in the health care expense account and how much to contribute. Your pre-tax contributions will be deducted in equal amounts each pay period during the Plan year. This account will generate no interest.

If you are hired or become eligible after the first of the Plan year, your contributions will be deducted in equal amounts from your remaining pay periods.

Once you incur eligible expenses, you are entitled to make a claim against your account. Eligible claims will be paid up to the total of your elected annual contribution even if you have not yet contributed that amount to the account.

If you terminate employment during the Plan year, you will still be able to request reimbursement for qualifying expenses for the remainder of the Plan year, but only for expenses incurred before your date of termination.



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