

**GLYNN GRIFFING & ASSOCIATES ADMINISTRATORS**  
**SECTION 125/CAFETERIA PLAN REMINDERS & UPDATES**

1. We must have a reimbursement request form with your documentation in order to be in compliance with IRS regulations. Make sure you have signed, dated, and put your employer's/company name in the appropriate place. State of Mississippi employees, please denote the agency. In signing the form, the participant is providing a written statement that the expense has not been reimbursed or is not reimbursable under any other source.

**MEDICAL CARE REIMBURSEMENT**

2. Expenses are treated as having been incurred when the participant is provided with the medical care that gives rise to the medical expenses, and not when the participant is formally billed or charged for, or pays for the medical care. Q/A-7(b)(6)

Cancelled checks, balance forwards and paid on account receipts are not sufficient documentation, because it will generally not include sufficient information relating to the nature of the expense (for what and whom it was incurred) rendered by an independent third-party provider. Similarly, charge card receipts do not generally include the requisite information. Section XVI.A.3

An itemized statement from the provider or the explanation of benefits from the insurance company is sufficient documentation. An itemized statement should include the following: provider's name and address, the patient's name, date of service, description of service or supply, and the amount charged.

Reminders of eligible and non-eligible expenses:

- A breast pump is not an eligible expense.
- Cosmetic related expenses are not eligible - included are Retin A, chemical peels, Minoxidil/Rogaine, electrolysis, tattoo removal, breast implant repair, treatment for varicose veins. Teeth whitening/bleaching is always considered cosmetic.
- Counseling is eligible if the participant or dependent is being treated for a specific mental illness. Marriage and behavioral counseling are not eligible.
- Massage therapy is eligible if a doctor has deemed it medically necessary. Be sure to get a letter from the physician that includes the specific medical need for massage therapy and the length of treatment.
- OB/GYN - maternity fees are eligible.
- Orthodontia is eligible. We can reimburse up front lump sum payments provided the payment does not apply to services beyond the current plan year. If the contract calls for one up front payment, it will be prorated over the treatment period, which may span more than the plan year. We need to have a copy of the ortho contract or service agreement in order to reimburse participants efficiently.
- Special foods are eligible if they are necessary to cure or treat a specific illness. The cost of foods and beverages recommended merely to promote good health is not reimbursable.

## **DEPENDENT CARE REIMBURSEMENT**

1. Dependent care must be necessary for a single parent or a married couple to work or to look for a job and must be for day care purposes only. Educational programs are not eligible; therefore, kindergarten is not an allowable expenditure. Remember, the child(ren) must be under the age of 13 years. Partial Year qualifications do apply - e.g. if the child turns 13 on July 15, you can count dependent care expenses through July 14.
2. Remember to attach Form 2441 to your form 1040 when filing your income taxes.
3. Documentation to support the reimbursement request must include the dates of service and the provider's name and tax identification number.
4. The primary purpose of expenses for care of a qualifying individual must be to assure his or her well being and protection. Expenses for food, clothing, and education are not considered eligible.
5. Overnight camps are not an eligible expense.
6. Remember, the dependent care account is not a pre-funded account; in other words, money must be in the account in order to reimburse the participant.
7. Registration fees are not eligible.

Sources include excerpts from the Employee Benefits Institute of America LLC and publications from annual meetings of the ECFC Symposium.