

SECTION 125 FLEXIBLE BENEFIT PLANS

A Summary of the Reimbursement Account Arrangement



Medical Expense Reimbursement

Dependent Day Care Reimbursement

AFES / Rev. 01/08

Dear Participant:

Thank you for electing to participate in the flexible spending portion of the Section 125 Flexible Benefit Plan being sponsored by your employer. The amounts you have elected to be set aside for your Unreimbursed Medical Expense and/or your Dependent Day Care Expense Account will be in force for the next plan year.

Although Section 125 regulations permit an election change due to a qualified event, in most cases, **no election changes are permitted for the Unreimbursed Medical Expense Account except for termination of employment by an employee.** For special rules affecting your plan, contact your employer. Election changes for valid status changes are permitted for the Dependent Day Care Account. ***Only claims incurred while you are contributing to the account(s) will be eligible for reimbursement.***

The following sections are included in this booklet:

How Your Plan Works

How to File a Claim

Checking Balance or Claim Status

Q&A

Information about Direct Deposit

You may access the necessary forms to claim a reimbursement on-line. Check out our web site at www.afadvantage.com® for additional forms and other items of interest. You can also sign up for an account activation code to have secured access to your personal account information, including balance and claim history.

We look forward to assisting you with your Flexible Benefit Plan.

Sincerely,



Linda Reynolds
Vice President
Flex Account Administration

HOW YOUR PLAN WORKS



Flexible spending accounts allow you to direct a part of your pay, on a pre-tax basis, into special accounts that can be used throughout the year to reimburse yourself for certain out-of-pocket medical expenses and/or dependent day care expenses. Because your money goes into your reimbursement accounts before federal and state income taxes are withheld, you pay less in taxes, and ultimately have more disposable income. There are two separate accounts: The Unreimbursed Medical Expense Account and the Dependent Day Care Expense Account.

Unreimbursed Medical Expense Account (URM)

Your Unreimbursed Medical Expense Account may be used to reimburse yourself for eligible medical expenses incurred for yourself, your spouse, and your eligible dependents. Your employer establishes your maximum for each plan year.

You may only be reimbursed for expenses incurred for services rendered during the plan year, or if applicable, during the grace period immediately after the end of your plan year. Not all employers offer the grace period; please check with your employer to see if this applies to you. You may also submit your claim for reimbursement on or before the run-off period ends, for claims incurred during the plan year or grace period (if applicable). The length of the run-off period may vary so please consult your employer for details. **Refer to the back of this packet for a listing of eligible and ineligible expenses.**

Dependent Day Care Expense Account (DDC)

Your Dependent Day Care Expense Account may be used to reimburse yourself for eligible dependent day care expenses incurred to allow you (and your spouse if you are married) to work, or for your spouse to look for work, go to school full-time, or who is incapable of self-care. Work may include actively looking for work, yet unpaid volunteer work or volunteer work for a nominal salary does not qualify. You may allocate up to \$5,000 per tax year for reimbursement of dependent day care services (\$2,500 if you are married and file a separate return).

Special Rules for Dependent Day Care Include:

- You must have income from work during the year.
- You (and your spouse if you are married) must have the same principal place of abode with the dependent for more than half of the taxable year and the dependent must stay in your home at least 8 hours per day.
- You must have made payments for dependent day care to someone you could not claim as a dependent, and, if the person you made payments to was your child, he or she must have been age 19 or over by the end of the tax year.
- Child support payments and child care payments qualifying as alimony are not qualified expenses for reimbursement.
- The grace period does not apply to the Dependent Day Care Expense Account.
- You will have a run-off period of 90 days after the end of the plan year to submit dependent care claims incurred during the plan year for reimbursement.

Eligible Dependent Day Care Expenses:

- A dependent day care center or an individual providing dependent day care must comply with all federal, state and local regulations, if applicable.
- A dependent day care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment or grant for providing services for any of those persons, regardless of whether the center is run for profit.
- Dependent day care expenses are eligible if the care is for your dependent, which would be a qualifying child (as defined in Code Section 152(c)) under age 13 or for any other qualifying dependent (qualifying child or qualifying relative as defined in Code Section 152(c) and Code Section 152 (d), respectively) or your spouse who is physically or mentally incapable of self-care, who has the same principal place of abode as you (the taxpayer) for more than half of the taxable year and who regularly spends at least 8 hours each day in your household.
- The services of a housekeeper, maid or cook are usually considered necessary to run your home if performed in connection with the care of a qualifying dependent.
- The cost of getting a qualifying dependent to and from your home and the care location is not an eligible expense.

Qualifying Dependent:

Eligible dependent day care expenses are for a “qualifying individual”, which means your “qualifying child” (as defined in Code Section 152(c)) under age 13 or for any other “qualifying dependent” (qualifying child or qualifying relative, as defined in Code Section 152(c) and (d), respectively), or your spouse who is physically or mentally incapable of self-care and who has the same principal place of abode as you (the taxpayer) for more than half of the taxable year.

If you are divorced or separated and you are the custodial parent of your qualifying child, your qualifying child qualifies if all of the following conditions are met, even though you do not claim a dependency exemption for the child for federal income tax purposes:

- The child is your qualifying child (as defined in Code Section 152 (c)) under age 13 or is not able to care for himself or herself;
- The child must receive over half of the child’s support during the calendar year from the child’s parents;
- The child’s parents must be (1) divorced or legally separated under a decree of divorce or separate maintenance, (2) separated under a written separation agreement, or (3) live apart at all times during the last six months of the calendar year;
- The child must be in the custody of one or both of his or her parents for more than half of the calendar year; and
- A decree of divorce or separate maintenance or written separation agreement between the parents applicable to the year provides that the noncustodial parent shall be entitled to any deduction allowable under Code Section 151 for the child, or the custodial parent will sign a written declaration that the custodial parent will not claim the child as a dependent for the year.

Earned Income Limit:

Your eligible expenses during a calendar year may not be more than your earned income for the year, if you are single at the end of the calendar year, or the smaller of your earned income or your spouse's earned income for the year, if you are married at the end of the calendar year.

Tax Credit Alternative for Dependent Care:

- You should be aware that you may be able to take a federal tax credit of up to 30% of the amount you can pay for dependent day care expenses instead of participating in the Dependent Day Care Expense Reimbursement Account.
- You may use up to \$3,000 of dependent day care expenses to figure your credit if you have one qualifying dependent and up to \$6,000 if you have two or more qualifying dependents.
- Your credit can be as much as \$1,050 if you have one qualifying dependent or as much as \$2,100 if you have two or more qualifying dependents.
- The tax credit is a direct reduction of the tax you owe to the federal government, unlike the income exclusion of participating in the Dependent Day Care Expense Account. Many states also provide a state tax credit for dependent day care expenses.
- You should consult with your tax advisor as to whether the tax credit may be more favorable for you than participating in the Dependent Day Care Expense Account. You may also wish to obtain IRS Publication 503 for more information about the federal tax credit.

Important Tax Information for Dependent Care:

Regardless of whether you participate in the Dependent Day Care Expense Account under Section 125 or claim the credit on your income tax, **you must provide the IRS with the name, address and taxpayer identification number (TIN) of your dependent care provider(s) by completing Schedule 2 of Form 1040A or Form 2441 and attaching it to your Annual income tax return.** Be sure that you follow the current instructions given by the IRS for preparing your annual income tax return. Failure to provide this information to the IRS could result in loss of the pre-tax exemption for your dependent care expenses.

Important Information About Your Flexible Spending Account(s):



- You must elect to participate prior to the beginning of each plan year. There is no allowance for late enrollment.
- **No reimbursements will be made until the first account deposit of the plan year is received from your employer.**
- The amounts that you designate for reimbursement of medical expenses may not subsequently be used for reimbursement of dependent day care expenses, and vice versa.
- If you are enrolled in the Unreimbursed Medical Expense Account and take a leave of absence during the plan year, you may:
 1. Prepay the contributions pre-tax, or
 2. Continue the contributions on an after-tax basis (pre-tax contributions may continue when you return to work), or
 3. Prorate the unpaid contributions over the remaining pay periods when you return to work. Failure to make all election contributions will result in termination of your account as of the date contributions ceased.
- Your employer may have added a grace period provision to your Section 125 Flexible Benefit Plan for the Unreimbursed Medical Expense Account only. The grace period is an additional 70 days at the end of your plan year during which you can incur and/or submit medical expense claims for reimbursement. At the end of the grace period, you will have a run-off period of an additional 20 days during which you can submit claims for reimbursement from the immediately preceding plan year and grace period. **Not all employers offer the grace period on their Section 125 Flexible Benefit Plan. Please check with your employer to determine if this provision applies to you.** The grace period does not apply to the Dependent Day Care Expense Account. You will have a 90 day run-off period after the end of the plan year to submit dependent care claims for reimbursement from the immediately preceding plan year.

If you do not file sufficient claims for reimbursement, you will lose the unused amounts. This is often referred to as the “use or lose” rule.

Election Changes

Dependent day care elections are irrevocable for the period of coverage (the plan year), except for a change in status which affects your need for day care. Examples of a change in status include your marriage, divorce or legal separation; death of your spouse or child; birth or adoption of a child; change in residence affecting your daycare, or change in your or your spouse’s work site. An election change may also be allowed due to a judgment, decree or order. If you drop your dependent day care election due to a change in status, only claims incurred while you are actively participating will be eligible for reimbursement.

In most cases, no changes are permitted for the Unreimbursed Medical Expense Account for any reason except for termination of employment. Contact your employer for special rules affecting your plan.

Options at Employment Termination:

Upon termination of employment an employee may elect to discontinue participation in the Unreimbursed Medical Expense Account or to continue the payment, if eligible, either by pre-taxing the remaining contributions for the plan year from severance pay or paying for them on an after-tax basis (COBRA) through the end of the plan year. If you elect to continue the contribution on an after-tax basis, the coverage under the Unreimbursed Medical Expense Account will continue until the premium ceases and expenses incurred during the period of coverage will be reimbursed. The coverage may not continue beyond the current plan year.

If you do not elect to continue the payments on an after-tax basis, only expenses incurred during the period of coverage will be reimbursed. **Coverage under the Unreimbursed Medical Expense Account ceases when the payments cease.**

HOW TO FILE A CLAIM



1. **Complete an Expense Reimbursement Voucher**, along with the third party documentation. See list of acceptable documentation below.
2. **Submit your completed form and documentation** to American Fidelity's Flex Department. You can either mail it to the address located on the bottom of the voucher or fax it toll-free to 1-800-543-3539.
3. **American Fidelity's Flex Team will process the voucher** and you will be reimbursed for your eligible expenses. The medical expense reimbursement check will be for the expenses claimed up to the maximum benefit amount you elected for the plan year. The dependent day care expense check will be for the expense you claimed up to the amount you have in your account. If the dependent day care expense claim is in excess of your account balance, the balance of the amount due will be forwarded to you as additional contributions are received.
4. You can choose to have your reimbursement mailed to you or electronically deposited into your checking account.

Unreimbursed Medical Acceptable Documentation with a Voucher Form:

1. Bill or receipt that includes provider of service, type of service rendered, original date of service and charge for the service.
2. Insurance Company Explanation of Benefits (EOB).
3. Pharmacy statement that includes RX number and the name of prescription, along with amount charged.

Dependent Care Acceptable Documentation with a Voucher Form:

1. Dependent Day Care Provider Acknowledgment Form.

Unreimbursed Medical Unacceptable Documentation with a Voucher Form:

1. Cancelled checks / credit card receipts.
2. Bill or receipt that shows a balance forward / previous balance or payment.

American Fidelity's Service Commitment:

- Quick processing of claims. Look for our average turnaround to be approximately 5 to 7 working days from receipt of claim.
- Toll-free fax line for the submission of your claim. Just fax your claim to: 1-800-543-3539 and save mail time.

- Ability to have your reimbursement directly deposited into your checking account. Simply fill out the “Authorization Agreement for Automatic Deposits” located on our web site.
- Toll-free customer service line to assist you with filling out your voucher form and answering any questions you have on your flexible spending accounts. Give us a call at 1-800-325-0654.

HOW TO CHECK YOUR BALANCE OR CLAIM STATUS:



As a Flexible Spending Account participant, you have several options to inquire on the status of your reimbursement account.

1. By Automated Telephone:

American Fidelity’s FlexConnection® is an automated voice response system that allows you to make inquiries about your Unreimbursed Medical Expense and/or Dependent Day Care Expense Account from your touch-tone telephone when you choose to call. The FlexConnection® is available 24 hours a day, not just during our office hours! By calling FlexConnection® you can obtain current account balances plus review the latest activity in your account, the date and amount of your last reimbursement, your last claim entry, and your last deposit.

American Fidelity’s FlexConnection®:

Oklahoma City, Oklahoma Area: (405) 523-2029, then choose option 1

Outside Oklahoma City Area: (800) 325-0654, then choose option 1

2. By Internet:

Capture the Advantage with afadvantage.com®! Our web site – afadvantage.com® – offers flexible spending account participants access to a secured area providing account information, including online flexible spending account balances and claim status.

In order to utilize the secured site, you will need to register online for an Account Activation Code (AAC). You can register for an AAC by selecting the “Login” header bar at our home page – www.afadvantage.com®. The system will then guide you through the steps necessary to register. Once you have registered, your AAC will be mailed to you at your confirmed mailing address in 7 to 10 business days. You will then be ready to actively review your account throughout your plan year.

3. Contact our Customer Service Department:

You can always choose to speak directly with one of our customer service representatives. We are always happy to hear from you and are eager to answer your questions. You can reach us at 1-800-325-0654 during our Central Standard Office Hours of 8:00 to 4:45, Monday through Friday.

QUESTIONS & ANSWERS:



Q: Can I view my account on-line?

Yes, simply access www.afadvantage.com ® and register for an Account Activation Code. Your AAC number will be mailed to you within 7– 10 business days.

Q: How long will it take for my claim to be processed?

Once the first deposit is received and posted, claims are processed an average of 5-7 working days from received date. If you fax your claim, you will save on mail time. You can also sign up to have your reimbursement deposited directly into your savings or checking account.

Q: How can I find out if you received my fax?

We receive a very large volume of faxes daily. They are tracked in our system by the date received. You can include your e-mail address on your election form or reimbursement voucher. Once your e-mail address has been entered into our system, you will receive notifications when your claim is received, when it has been processed, and of a direct deposit.

Q: The run-off period for my plan will end very soon. Does my claim have to be in your office by the last day of the run-off period, or just postmarked by this date?

*Claims **must be received** in our office on or before the last day of the run-off period. American Fidelity **will not** honor claims received after the run-off ends.*

Q: What paperwork is required for an unreimbursed medical claim?

We need a receipt or an itemized statement from the medical provider of service that includes:

*1. Date of service, 2. Type of service **and** 3. Charge for the service.*

Sometimes it is necessary to provide a doctor's statement to justify the expense. When a doctor's statement is required, it should be on the doctor's letterhead (or prescription pad) and should state that the treatment or expense is necessary to treat the specified medical condition.

Q: Can I claim massage therapy on my Unreimbursed Medical Expense Account? (unreimbursed medical only)

Massages treating a specific injury or trauma are eligible. You are required to submit a doctor's statement with your claim. Massages to relieve stress and for general health are not eligible. They must be treating a specific accident or illness.

Q: How do I claim over-the-counter drug expenses?

You will need to provide a receipt that shows the date of purchase, the item name, and the amount paid. If the drug is considered a dual purpose item, you will need to submit a doctor's statement explaining the condition the over-the-counter drug is treating.

Q: What paperwork is required for a dependent day care claim?

We need the Dependent Day Care Voucher/Acknowledgment form. If you are only claiming daycare expenses, you can use the combination form. If you are claiming both medical expenses and daycare expenses at the same time, you will need to submit the Expense Reimbursement Voucher and the Dependent Day Care Provider Acknowledgment Form. The form must include the tax ID or individual social security number of the provider. These forms can be located on the web site.

Q: Can I cancel my Dependent Day Care Expense Account?

The only way the Dependent Day Care Expense Account may be cancelled is if you have a change in status that affects your need for the benefit. Otherwise, the plan will remain in force until the end of the plan year.

Q: Why do I receive only partial reimbursements for my dependent day care?

Dependent day care reimbursements are paid up to the amount available in the account. If a contribution is posted and there is a pended amount (claims in excess of deposits) then we will automatically pay on the pended amount. As additional claims are received, we will continue to send reimbursements up to the account balance.

Q: Can I be reimbursed for the full amount of my child's orthodontics?
(unreimbursed medical only)

*Yes. You will need to submit a copy of the orthodontia contract along with your reimbursement voucher to be reimbursed. You cannot be reimbursed for any amounts that are paid by insurance. **Effective January 1, 2009, only expenses that have actually been paid can be reimbursed in advance.***

Q: How do I get reimbursed for my mileage? (unreimbursed medical only)

The cost for mileage which is primarily for medical treatment may be reimbursed either by submitting a Medical Travel Log, or by submitting all of the required information listed on the Medical Travel Log, with your voucher. This would include the number of miles traveled, what the treatment was for, who the treatment was for, where the facility was located, and the dollar amount that is being claimed. The Medical Travel Log is located on our web site.

DIRECT DEPOSIT



Have you signed up to have your flexible spending account expenses deposited directly into your bank account? This is a service we are very pleased to be able to offer you.

- * Direct deposit eliminates the possibility of your check being lost or delayed by the mail!
- * Direct deposit eliminates that trip to the bank to deposit your reimbursement check!

Each time a deposit is made to your account, you will be mailed an Explanation of Benefits that shows the deposit made as well as a summary of your account. If you have provided us with your e-mail address, this notification will be e-mailed to you. This will let you keep track of your account just as you always have.

How do you get started on Direct Deposit?

Just complete the Authorization Agreement for Automatic Deposit that you will find on the web site. Attach your voided check in the space allotted and mail or fax it back to us! It will take approximately two weeks from the date that we receive this authorization for direct deposits to begin. Until that time, you will continue to receive a check for reimbursements.

How do you make a change?

If you change banks or account numbers, simply complete a new authorization agreement. We will stop your deposits as soon as we receive the new authorization. It will take approximately two weeks for deposits to begin going to your new account. During this time, you will receive a check if any reimbursements are made to you.

How long will this authorization remain in effect?

This authorization will remain in effect until you send us written notification to terminate it. If you elect to participate in the reimbursement accounts again for the next plan year, your authorization will carry over. If you elect not to participate in the reimbursement accounts for the next plan year, there will simply be no deposits made to your account following the run-off period.

We hope that you'll decide to take advantage of this "fast payment" service! If you have any questions, please call us at 1-800-325-0654.

Common Medical Expenses Eligible for Reimbursement

(not all-inclusive)

American Fidelity does not reimburse capital expenses, even though they may be qualified expenses. Examples of capital expenses include, but are not limited to, exercise equipment, removal of lead-based paint, air conditioner, air purifier, mattresses, pillows, vacuums, water filters, automobile modifications for physically handicapped individuals, and home improvements such as exit ramps, widening doorways, etc. to accommodate physically handicapped individuals.

Below is a list of expenses and whether they are eligible for reimbursement through the medical expense reimbursement account. Some items are considered by the IRS to be “dual purpose”. *Dual-purpose items require a doctor’s statement including the diagnosis of a specific medical condition and that the item is recommended to treat the diagnosed condition.*

If an expense is not listed below, please contact the Flex Administration Department at (800) 325-0654 for clarification.

<i>EXPENSE:</i>	<i>*ELIGIBLE?</i>	<i>**DUAL PURPOSE? (need doctor’s statement)</i>
Abortion	Yes, if legal abortion.	
Acne treatment – over the counter	Yes, if treating medical condition such as acne vulgaris (but see <i>Retin A</i>).	Yes
Acupuncture	Yes, if treating medical condition.	Yes
Administrative costs	Yes, health FSA or HSA monthly account maintenance fees qualify for reimbursement from corresponding account.	
Adoption – medical expenses incurred before adoption is finalized	Yes, if child was legal dependent when services provided.	
Advanced reimbursements	No (but see <i>Orthodontia expenses</i> and <i>Prenatal expenses</i>).	
Alcoholism treatment	Yes, for inpatient treatment (including meals and lodging) at a center for alcohol addiction.	
Allergy medicine	Yes	
Ambulance	Yes	
Analgesics	Yes	
Antacid	Yes	
Antihistamine	Yes	
Anti-itch creams	Yes	
Antibiotic sprays or ointments (for first aid)	Yes	
Artificial limbs and teeth	Yes	
Aspirin	Yes	
Autopsy	No	
Babysitting/child care	No	
Bandages	Yes	

Behavioral modification programs	Possibly (see <i>Schools and education, special</i>).	Yes
Birth control pills	Yes	
Birthing classes/childbirth classes/Lamaze	Yes, if classes relate to childbirth and not child rearing. Expenses for a coach, doula or significant other are not eligible.	Yes
Blood pressure monitoring devices	Yes	
Blood sugar test kit and test strips	Yes	
Body scan	Yes, for diagnostic purposes.	
Breast pumps	No, unless medical need.	Yes
Breast reconstruction surgery following mastectomy	Yes, if mastectomy was done following cancer.	
Calamine lotion	Yes	
Carpal tunnel wrist supports	Yes	
Chelation therapy	Yes, if used to treat medical condition such as lead poisoning.	Yes
Childbirth classes	Yes, if classes relate to childbirth and not child rearing. Expenses for a coach, doula or significant other are not eligible.	Yes
Chiropractors	Yes	
Chondroitin	Yes, if used to treat medical condition and not to maintain good health.	Yes
Christian Science practitioners	Yes, fees paid to Christian Science practitioners for medical care will qualify.	Yes
Circumcision	Yes	
COBRA premiums	No	
Cold medicine	Yes	
Cold/hot packs	Yes	
Condoms	Yes	
Co-insurance amounts, co-payments and deductibles	Yes, if the underlying service/item qualifies.	
Contact lenses, solutions and equipment	Yes, if the lenses are needed for a medical condition.	
Contraceptives	Yes	
Cosmetic procedures or surgery	No, except for amounts paid for surgery necessary to improve a deformity arising from a congenital abnormality, personal injury from an accident or trauma, or a disfiguring disease.	
Cosmetics	No, including face cream, moisturizer, deodorant, hand/body lotion, make-up, shampoo, toothpaste, mouthwash or any other item used for ordinary cosmetic purposes.	
Cough suppressants	Yes	
Counseling	Yes, for medical reason; no, for marriage counseling.	Yes
Crutches	Yes, for rental or purchase.	
Decongestants	Yes	
Deductibles	Generally, yes (see <i>Co-insurance amounts, co-payments and deductibles</i>).	
Dental treatment	Yes, but see restrictions for <i>Teeth whitening and bleaching</i>	

Dentures and denture adhesives	Yes	
Dependent daycare expenses	No	
Diabetic supplies	Yes	
Diagnostic services	Yes	
Diaper rash ointment/cream	Yes	
Diapers or diaper service	No, unless used to relieve the effects of a diagnosed medical condition, such as urinary incontinence in adults.	Yes
Diarrhea medicine	Yes	
Dietary supplements	Yes, if recommended by medical practitioner to treat a specific medical condition.	Yes
DNA collection and storage	Generally no, but temporary storage may be reimbursable if collected as part of a diagnosis, treatment or prevention of existing or imminent medical condition.	Yes
Drug addiction treatment	Yes, for inpatient treatment (includes meals and lodging) at a therapeutic drug center.	
Drug overdose treatment	Yes	
Drugs and medicines	Yes, if legally obtained and generally accepted as medicines and drugs and are used to treat a medical condition. This includes prescription drugs and over-the-counter drugs. Certain over-the-counter medicines may require a doctor's statement for necessity.	Yes
Ear plugs	Yes, if treating medical condition.	Yes
Egg donor fees	Yes	
Eggs and embryos storage fees	Possibly, with respect to temporary storage, but only to the extent necessary for immediate conception.	Yes
Electrolysis or hair removal	Generally, no.	
Eye examinations, eyeglasses and related equipment and materials/cleaners	Yes	
Face creams, moisturizers	No	
Face lifts	No	
Feminine hygiene products	No (but see <i>Incontinence supplies and Menstrual pain relievers</i>).	
Fertility treatments (e.g., surgery, in vitro fertilization (IVF), gamete intrafallopian transfer (GIFT) and shots)	Yes, to the extent procedure is intended to overcome an inability to have children. Expenses for IVF surrogate not deductible unless the surrogate is a tax dependent.	
Fiber supplements	No, if taken as a supplement to a normal diet; yes, if recommended by a medical practitioner to treat a specific medical condition.	Yes
First aid cream and first aid kits	Yes	
Fitness programs	Yes, but only if prescribed by a doctor for treatment of obesity or other medical condition.	Yes
Food and Food Substitutes	No	
Flu shots	Yes	
Funeral expenses	No	
Gambling addiction treatment	Yes, for inpatient treatment (including meals and	

	lodging) at a center for gambling addiction.	
Gauze pads	Yes	
Genetic testing	Yes, if for determination of possible birth defects; no if for sex determination.	Yes
Glucosamine	Yes, if primarily for medical treatment.	Yes
Glucose monitoring equipment	Yes, including blood glucose meters and test strips for diagnostic purposes.	
Guide dog or other animal aide	Yes, includes expenses related to purchase, training and care of animal used by vision-impaired or hearing-impaired person.	
Hair removal/transplant	No, usually cosmetic.	
Health club dues and fees	No, for general health purposes, but may be allowed if prescribed by a doctor to treat a specific medical condition.	Yes
Hearing aids	Yes, including batteries.	
Hemorrhoid treatment	Yes	
Herbal supplements	See <i>Dietary supplements</i> .	Yes
Home care	Yes, if expenses qualify as nursing services; no, if for long term care.	Yes
Hormone replacement therapy	Yes, if primarily for medical care.	Yes
Hospital services	Yes	
Illegal operations and treatments	No	
Immunizations	Yes	
Incontinence supplies	Yes, used specifically to treat incontinence.	Yes
Infertility treatments	See <i>Fertility treatments</i> .	
Insect bite creams and ointments	Yes	
Insulin	Yes	
Insurance premiums	No	
Laboratory fees	Yes, if part of medical care or diagnosis.	
Lamaze class	See <i>Childbirth classes</i> .	Yes
Language training for dyslexic/disabled child	Yes	Yes
Laser eye surgery/Lasik/Radial Keratotomy	Yes, for correction of eye function.	
Late fees on medical bills	No	
Laxatives	Yes	
Learning disability, instructional fees	Yes, includes expenses for special school or specially trained teacher (prescribed by doctor) for a child who has severe learning disability caused by mental or physical impairment.	
Liquid bandage	Yes	
Lodging at hospital or similar institution	Yes, if there to receive medical care.	
Lodging <i>not</i> at hospital or similar institution	Yes, up to \$50/night, provided: (1) lodging is primarily for and essential to medical care; (2) medical care is provided in a hospital or medical facility related to or equivalent to licensed hospital; (3) lodging is not lavish; and (4) no element of personal pleasure, recreation or vacation in the travel.	

Lodging of a companion	Yes, if accompanying a patient for medical reasons and all of the conditions described under <i>Lodging not at a hospital</i> are also met.	Yes
Lodging while attending a medical conference	No	
Long term care services	Generally, no.	
Marijuana or other controlled substances	No, even if legal in certain states.	
Massage therapy	No, unless prescribed by a doctor to treat medical condition related to trauma or injury.	Yes
Mastectomy-related bras	No, unless prescribed for mental health treatment.	Yes
Medic-alert bracelet/necklace	Yes, if recommended by a medical practitioner in connection with treating a medical condition.	Yes
Medical conference admission/transportation/meals	Yes	Yes
Medical monitoring and testing devices	Yes, including blood pressure monitors, syringes, glucose kits, etc.	
Medical records charges	Yes, for the cost for transferring or photocopying records.	
Medical services	Yes, if legal medical service is recommended by physician, surgeon, specialist or other medical practitioner.	
Menstrual pain relievers	Yes	
Mentally handicapped, special home for	The cost of keeping a mentally handicapped person in a special home (not a relative's home) on a psychiatrist's recommendation to help that person adjust from life in a mental hospital to community living may apply.	Yes
Missed appointment fee	No	
Motion sickness pills	Yes	
Nasal strips or sprays	Yes, if used to treat sinus problem or sleep apnea.	Yes
Naturopathic healers, dietary substitutes and drugs and medicines	Possibly, non-traditional healing treatments provided by professionals may be eligible if provided to treat a specific medical condition.	Yes
Nicotine gum or patches	Yes	
Norplant insertion or removal	Yes	
Nursing services provided by a nurse or other attendant	Yes, so long as services are of a kind generally performed by a nurse.	Yes
Nursing services for a baby	No, if baby is normal and healthy.	
Nutritionist's professional expenses	Possibly, if treatment relates to a specifically diagnosed medical condition.	Yes
Nutritional supplements	No, if merely beneficial for general good health.	Yes
Obstetrical expenses	Yes	
Occlusal guards to prevent teeth grinding	Yes	
Optometrist	Yes	
Organ donor	Yes, including surgical, hospital and laboratory services as well as transportation expense for donor.	
Orthodontia expenses	Yes, with ortho contract. Effective January 1, 2009,	

	only expenses that have been paid by the participant can be reimbursed in advance. A receipt for the paid expenses and the ortho contract will need to be submitted.	
Over-the-counter medicines	See <i>Drug and Medicines</i> .	Yes
Ovulation monitor	Yes	
Pain relievers	Yes	
Patterning exercises	Yes, for exercises for a mentally handicapped child.	
Physical exams	Yes	
Physical therapy	Yes	
Physician access retainer	No	
Pregnancy test kit	Yes	
Prenatal expenses	Yes, the IRS recently indicated that prenatal expenses paid up front might be reimbursed in the year during which the lump sum amount was contracted, despite the fact that all expenses have not yet been incurred.	
Prenatal vitamins	Yes, if taken due to pregnancy.	Yes
Prescription drugs and medicines obtained from other countries	No	
Prescription drug discount programs	No, a fee paid to get a drug discount card will not qualify; the cost of the prescription may qualify.	
Propecia	No, if for cosmetic purposes (i.e., to treat male pattern baldness); yes, if used to treat medical condition such as alopecia.	Yes
Prosthesis	Yes	
Psychiatric care	Yes, if for medical care.	
Psychoanalysis or psychologist	Yes, if for medical care and not for the general improvement of mental health, to relieve stress or personal enjoyment.	Yes
Radial keratotomy	Yes	
Retin-A	No, unless treating a specific medical condition, such as acne	Yes
Rogaine	No, unless prescribed to treat a specific medical condition.	Yes
Safety glasses	No, unless prescription lenses.	
Schools and education, residential	Possibly, if the school or program is to treat behavioral, emotional and/or addictive conditions and if the primary purpose of the program is medical care.	Yes
Schools and education, special	Possibly, if the main reason for using the school is its resources for relieving the disability of a mentally impaired or physically disabled person. Includes Braille, lip-reading and remedial language training; no, if the main purpose of the school is disciplinary.	Yes
Screening tests	Yes, if used for medical diagnosis.	
Seeing-eye dog	Yes, including veterinary fees.	
Sinus medication	Yes	
Sleep deprivation treatment	Possibly, if person is under care of a medical practitioner.	
Smoking cessation (stop-smoking)	Yes, as well as prescription and/or over-the-counter	

programs	drugs and medicines used to stop smoking.	
Spermicidal foam	Yes	
Sperm, storage fees	Possibly, for temporary storage to the extent necessary for immediate conception.	Yes
St. John's Wort	Yes, if used primarily for medical care (i.e., depression) and not for general good health.	Yes
Sterilization procedures	Yes, if legally performed operation.	
Sunglasses	Yes, if they are prescription lenses.	
Sunscreen with high SPF	Yes, if SPF is generally 30 or higher and used to prevent a sunburn. Would also qualify if used by a person who has or has had skin cancer or another diagnosed skin disease that is affected by sun exposure. Does not include tanning lotions, make-up or moisturizers, etc., that contain a lower dose of SPF. Receipt must show SPF level.	
Suntan lotion/clothing to block sun	No	
Supplies to treat medical condition	Yes, if the medical supply is used to diagnose or treat a specific medical condition and is not a personal comfort item.	
Surrogate expenses	Generally no, even if for medical care of surrogate or unborn child.	
Taxes on medical services and products	Yes, to the extent imposed on reimbursable medical care or products.	
Teeth whitening/bleaching	No	
Telephone equipment for hearing impaired-person	Yes, for expense of buying and repairing special telephone equipment for hearing-impaired person.	Yes
Television equipment for hearing-impaired person	Yes, but reimbursable amount is limited to the cost that exceeds cost of regular item.	Yes
Thermometers	Yes	
Throat lozenges	Yes	
Toothache and teething pain relievers	Yes	
Toothbrushes or toothpaste	No, even if dentist recommends special ones to treat medical condition.	
Transplants	Yes, for surgical, hospital and labor services and transportation expenses for donors.	
Transportation to and from medical conference	Yes, for admission and transportation expenses to a medical conference relating to the chronic disease of the individual.	Yes
Transportation expenses for person to receive medical care	Yes, if travel is primarily for, and essential to, medical care. Includes parking and tolls. Car mileage is reimbursed at the current rate set by the IRS each year.	
Transportation expenses for someone other than the person receiving medical care	Yes, in some cases for the following: (1) a parent who must go with a child who needs medical care; (2) a nurse or other person who gives injections, medication, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone; and (3) an individual who travels to visit a mentally ill dependent, if such visits are recommended as part of treatment.	Yes

Vasectomy/vasectomy reversal	Yes	
Veneers	Generally no, as they are usually for cosmetic purposes.	
Viagra	Yes, if prescribed by a physician to treat a medical condition.	
Vitamins	No, if they are used to maintain general good health.	Yes
Walkers	Yes, if used to relieve sickness or disability	
Weight-loss programs and/or drugs prescribed to induce weight loss	Yes, if prescribed by a doctor to treat obesity or other medical condition.	Yes
Wheelchair	Yes	
X-ray fee	Yes, if received for medical reasons.	

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