

# *Flexible Spending Account Orthodontia Guidelines*

## **Please read this notice before making your annual election**

Orthodontia expenses are reimbursed over the period of time the appliances are worn. The treatment plan and/or contract from the Orthodontist will state the length of time the appliances/braces will be worn by the patient. The IRS recognizes that orthodontia services are continuous from the installation to the removal of the appliances, therefore you may have services spanning 1-3 plan years. In line with those guidelines, your orthodontic reimbursements need to be in accordance with the length of time you will have services. The total fee owed to the Orthodontist will be pro-rated by the number of months the appliances will be worn. If you make a lump sum payment to receive a discount, the above still applies; therefore, you will not be reimbursed a lump sum payment. You can be reimbursed monthly based on the expected length of treatment.

Example 1: Plan Year begins January, 2004. Orthodontia begins in January with treatment lasting 36 months. Total fee is \$4600.00. Down payment of \$1000.00 is due in January. \$3600.00 will be divided by 36 months. First payment is due

February, 2004. The amount that can be reimbursed in the 2004 plan year is the \$1000.00 down payment plus eleven (11) monthly reimbursements of \$100.00 totaling \$1100.00.

Example 2: Orthodontist offers a 10% discount if you pay in one lump sum payment. Total fee is \$4140.00. There is no down payment. \$4140.00 will be divided by 36 months. The amount that can be reimbursed in the 2004 Plan Year is twelve (12) monthly reimbursements of \$115.00 totaling \$1380.00.

**Note:** Above example uses appliances placed in January. Appliances placed in a different month would need to be pro-rated using remaining months in the Plan Year. Example: For appliances placed in September, the amount that can be requested is the down payment and three months of Orthodontia payments. **Reimbursements cannot be paid out prior to the services rendered, even if you paid up front.**

# *Flexible Spending Account Vision Expense Guidelines*

## **Please read this notice before making your annual election**

Vision bills/expenses must include the name of the patient and provider, the type of service, the date the service was incurred/provided, and your out-of-pocket expense. Balance due statements, charge card receipts, and canceled checks

are not acceptable documentation for reimbursement. The date the glasses or contacts are ordered is considered the date of service, not the pick up date.