



**MEDICAL REIMBURSEMENT
AND
DEPENDENT CARE
INFORMATION**



Welcome to the MSMA Group Insurance Medical and Dependent Care Reimbursement accounts.

The following information will help explain the IRS programs that allow you, the employee, to have pre-tax deductions for certain dependent care, medical and dental expenses. That means you will pay less in federal and state taxes resulting in more take home income.

ELIGIBILITY:

If you are a full time employee you will be considered eligible to participate in the IRS programs. Except if you or your spouse are actively contributing to an HSA you are not eligible to participate in a traditional FSA.

An application will be provided to each employee to be filled out and returned to the office. All signed forms must be returned to the administration office at the specified time set by the Plan Administrator. If the Plan Administrator within the specified time frame does not receive your completed form you will be ineligible to participate in the IRS programs for the current plan year.

IRREVOCABILITY OF YOUR ELECTION:

Elections made under this program will be irrevocable for the plan year, subject to a change in your family status. A change in family status includes marriage, divorce, death of your spouse or child, birth or adoption, termination of employment of your spouse. If a change in family status does take place you will be required to fill out a new election form within 30 days of that change. A form received after the 30-day deadline will not be processed and any change will have to be made during open enrollment for the following plan year.

CLAIMS PROCESSING:

Administration of the IRS accounts is complicated and governed by IRS Code 125 (Medical/Dental Care Reimbursement) and 129 (Dependent Care Reimbursement). MSMA will process all claims for participants in our Augusta, Maine office. If you have any questions or need assistance please give our Customer Service Representative, Michelle, a call at 800-660-8484. She is available to answer your questions from 8:00 a.m. till 4:15 p.m. Monday through Friday.

Quarterly statements are available to participants on request. In addition, notices will be sent to each school district thirty (30) days before the end of the plan year to remind employees to use the balance in his/her account or risk forfeiture. IRS regulations allow medical reimbursement plans to rollover up to \$500 into the next plan year if there are funds left over in your account at the end of the current plan year. Any amount over \$500 will be forfeited after a 90-day run-off period at the end of the current plan year.

ADMINISTRATION FEES:

There is a per month/per employee administrative fee charged on an after tax basis. The fees for participation are as follows:

Dependent Care:	\$4.00 per month/per employee (after tax)
Medical Care:	\$4.00 per month/per employee (after tax)

If you participate in both accounts:	\$6.00 per month/per employee (after tax)
--------------------------------------	---

MEDICAL CARE REIMBURSEMENT ACCOUNT EXPENSES

ELIGIBLE HEALTH CARE EXPENSES

The following is a list of expenses that the U.S Government has historically considered eligible for income tax purposes under Section 125.

PROFESSIONAL SERVICES

Chiropodist
Chiropractor
Christian Science Practitioner
Dermatologist
Dentist
Gynecologist
Massage Therapist***
Neurologist
Nurse Practitioner
Optician
Orthodontist
Ophthalmologist
Osteopath
Payments to an unlicensed practitioner if type/quality of services are not illegal
Pediatrician
Physician
Physiotherapist
Plastic Surgeon
Podiatrist
Psychiatrist
Psychoanalyst
Psychologist
Registered Nurse
Specialist
Surgeon

DENTAL SERVICES

Cleaning teeth
Dental x-rays
Extracting teeth
Fillings
Gum treatment
Oral surgery
Straightening teeth
Braces/Retainers/Appliances
Dentures
Restorative treatments

LABORATORY FEES

You can include in medical expenses the amounts you pay for laboratory fees that are part of your medical care.

MEDICINES AND DRUGS

Cost of prescriptions
Insulin
Vitamins - expenses for vitamins prescribed by a physician and only available by prescription and used to treat a specific medical condition are reimbursable.
Retin-A - only for treatment of acne, but not for wrinkles
Rogaine - only when prescribed to treat a specific medical condition, but not to stimulate hair growth
Birth Control
Vaccines

HOSPITAL SERVICES

Anesthetist
Hospital bills
Inpatient services
Outpatient services
Oxygen mask/tent
Operating room
Private room

EQUIPMENT & SUPPLIES

Abdominal supports
Air conditioner***
Ambulance
Arches
Artificial teeth, eyes, limbs
Back supports***
Braces
Canes
Capital expenses - reasonable costs to accommodate a personal residence for a disabled condition. Refer to Code Section 213 for details
Contact lenses and solutions required to maintain them
Crutches
Elastic hosiery
Eyeglasses
Fluoridation unit in home
Hearing aids & batteries
Heating devices***
Invalid chair
Iron lung

EQUIPMENT & SUPPLIES

Orthopedic shoes
Oxygen and equipment
Special mattress/plywood bed for relief of arthritis or spine***
Splints
Telephone - installation, repair and cost of special telephone equipment for the deaf (TTY)
Wheelchair
Wig ***

MEDICAL TREATMENTS

Abortion
Acupuncture
Alcohol and drug abuse treatment
Blood transfusion
Diathermy
Electric shock treatment
Hearing services
Hydrotherapy
Infertility/impotence
Injections
Massage therapy***
Nursing
Organ transplant
Psychoanalysis, psychiatric care
Radial keratotomy; PRK; Lasik
Radium therapy
Sterilization
Therapy
Ultra-violet ray treatments
Vasectomy
Whirlpool baths***
X-ray treatments

MISCELLANEOUS

Asylum, nursing home, sanitarium and convalescent home
Braille books - excess cost of Braille works over cost of printed editions
Childbirth/Lamaze class for mother only
Guide dog or other trained animal
Human guide for blind person
Organ donor's expenses
Nurses board and wages
Special school costs for physically and mentally handicapped children
TTY and television adapter for closed captioning for deaf person

*** This expense is only eligible when prescribed and substantiated by a physician to treat a physical defect or illness.

SEE OTHER SIDE FOR INELIGIBLE EXPENSES

MEDICAL CARE REIMBURSEMENT ACCOUNT EXPENSES

INELIGIBLE HEALTH CARE EXPENSES

The following is a list of expenses which have been deemed by the I.R.S. not reimbursable under Section 125.

Antiseptic diaper service	Ear piercing	Special foods/beverages - but excess cost of organic foods, over what would have normally been spent, (if medically necessary for allergies) can be reimbursed
Athletic club expenses	Electrolysis	Tattooing
Baby sitting fees to enable you to make doctor's visits	Employment related physicals	Toothpaste
Boarding school fees paid for healthy child while parent is recuperating from illness even if advised by doctor.	Funeral, cremation or burial or other related expenses	Transportation for cost of disabled person to/from work
Bottled water	Health programs offered by resorts, hotels, health clubs and gyms	Travel costs to look for a new place to live even on doctor's advice
Contact lens replacement insurance	Health insurance premium	Travel costs to a favorable climate
Cosmetic surgery or treatment	Illegal operations and drugs	Tuition and travel expenses to send a "non-disabled problem child" to a particular school for change in environment
Cost of divorce	Laetrile	Veterinary or other expenses for pets
Cost of hotel room suggested for sex therapy	Marijuana - even if prescribed for medicinal purposes	Tonics, homeopathic remedies
Cost of trips for a "change of environment" to boost morale of ailing person even if prescribed by doctor	Marriage counseling	Wigs for cosmetic purposes only
Dance lessons even if prescribed by physician	Maternity clothes	Your divorced spouse's medical bills
Dental bleaching & other cosmetic work	Over the counter medicines ***	
Domestic help	Personal use items	
	Premiums: life, disability, double indemnity, maintenance contracts, etc.	
	Scientology fees	

THE FOLLOWING EXPENSES ARE REIMBURSABLE ONLY IF THEY MEET THE CRITERIA AS SET FORTH BY THE INTERNAL REVENUE SERVICE:

Breast augmentation - Expenses related to breast augmentation (such as implants or injections) are not reimbursable because the procedure is cosmetic in nature. However, medical costs related to (1) the removal of breast implants that are defective/causing a medical problem or (2) require reconstruction due to surgery are reimbursable.

Breast reduction - Medical expenses related to breast reduction surgery are reimbursable only if a physician substantiates that the procedure is medically necessary and not for cosmetic purposes.

Lodging and meals - The cost of lodging and meals NOT provided in a hospital or similar institution while an employee is away from home is reimbursable if four requirements are met: (1) lodging is primarily for and essential to medical care; (2) medical care is provided by a doctor in a licensed hospital or in a medical facility related to, or the equivalent of, a licensed hospital; (3) the lodging is not lavish or extravagant; and (4) there is no significant element of personal pleasure, recreation or vacation in the travel away from home. Lodging is included for a person who is travelling with the person receiving medical care. The reimbursable amount cannot exceed \$50.00 for each night for each person. (maximum of \$100 per night).

Smoking program - The cost of an "over-the-counter" program to stop smoking for the improvement of general health is not reimbursable. However, if the program is prescribed by a doctor, and filled by a pharmacy, the expense can be reimbursed. The physician will be required to substantiate this treatment.

Tuition - Charges for medical care included in the tuition of a college or private school are reimbursable if the charges are separately stated. Health services received at educational institutions will still need to go through insurance before being reimbursed.

Weight loss programs - The cost of a weight loss program for general health is not reimbursable, even if suggested by your doctor. However, if the program is prescribed to treat a specific medical condition (such as cardiac disease), the expense can be reimbursed. The physician will be required to substantiate this treatment.

DEFINITION:

"Medical Care" expenses include amounts paid for the diagnosis, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be to alleviate or prevent a physical defect or illness. Expenses for solely cosmetic reasons are not expenses for medical care.

Resources:

Department of Treasury/Internal Revenue Service; Publication numbers: 502 & 503
Thompson Publishing Group, Inc.; Flex Plan Handbook

SEE OTHER SIDE FOR ELIGIBLE EXPENSES



MEDICAL CARE REIMBURSEMENT ACCOUNT

The medical reimbursement account gives you an opportunity to pay for healthcare and dental expenses with tax-free dollars (when not paid by a medical or dental insurance plan). The maximum amount an employee may elect is subject to the cap set by the school district.

If you need to determine if an expense is eligible an IRS list describing eligible and ineligible healthcare expenses has been attached for your use.

The medical care reimbursement account offers attractive tax savings, however, there are certain IRS rules that need to be considered:

- 1) *Expenses reimbursed through this account cannot be claimed as an income tax deduction.*
- 2) *Employees cannot change their election amount until the next plan year unless a family status change has taken place.*
- 3) *At the end of the plan year up to \$500 can be rolled over to the next plan year. Any amount over \$500 will be forfeited.*
- 4) *Health insurance premiums cannot be funded through this account.*
- 5) *If you or your spouse are actively contributing to an HSA you are not eligible to participate.*

If you terminate your employment you will cease to be a member of this program. Expenses incurred prior to the date of your termination are eligible for payment from the account.

Quarterly statements are available to participants on request. In addition, notices will be sent to each school district thirty (30) days before the end of the plan year to remind employees to use the balance in his/her account or risk forfeiture. All remaining funds are subject to forfeiture except for the \$500 rollover option allowed by IRS regulations.

Filing Claims There are 3 options for filing Medical Reimbursement claims:

- Debit Cards at pharmacy or medical/dental professional. (EOB or Bill will be required for claim substantiation for anything other than a co-pay or prescription)
- Mailing medical receipts to MSMA along with the medical reimbursement claim form. This results in a check or direct deposit sent to the member no later than 2 weeks after claim is received.
- Uploading medical receipts onto your consumer portal at <https://msma.lh1ondemand.com>. Please be sure to include a medical reimbursement claim form which is found under the tools and support tab on the portal.

Dependent care claims can only be mailed or uploaded, debit cards are not available for that program. Be sure to include the dependent care claim form which is also found on the tools and support tab on the portal.

We recommend that you keep a copy of your claims in case questions arise during processing.

Domestic Partner expenses are not eligible for reimbursement, as a domestic partner does not meet the definition of dependent under Section 152 of the Internal Revenue Code.



Health Care Reimbursement Worksheet

This worksheet has been developed to help estimate your out of pocket health care and dental expenses for the coming plan year. Suggestions in each category are listed below. As a guide you can use your prior year expenses in order to calculate your deduction.

Medical

\$ _____

Such as: deductibles, co-insurance payments, routine exams(e.g., OB_GYN, physicals, etc.), office co-payments (e.g., \$20.00 per visit), prescription co-payments, hearing aids and exams, vision care (e.g., eye exams, contact lenses, prescription eye wear), medically required equipment (e.g., wheelchair, prosthetic devices), chiropractor and emergency room charges.

Dental

\$ _____

Such as: deductibles, co-insurance payments, orthodontia (e.g., braces, retainer ****read special rules applying to orthodontic care below****), other (non-cosmetic) dental expenses not covered by insurance

TOTAL HEALTH CARE & DENTAL EXPENSES

\$ _____

(Transfer this amount to your enrollment form)

To determine the amount of money you may want to contribute to your FSA each paycheck, divide your Total Health Care Expenses by the number of pay periods in the plan year.

$$\begin{array}{l}
 \$ \underline{\hspace{2cm}} / \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}} \text{ per paycheck contributed to your FSA} \\
 \text{(total expenses listed above)} \quad \text{(number of pay periods)}
 \end{array}$$

Please Note Special Rules For Orthodontic Care

- Initial requests for reimbursement should include a copy of the orthodontic care contract.
 - Payment must be made in order to be reimbursed, prepayment is not allowed.
 - The date a payment is made to the provider is considered the date of service, not the date the payment is due.
-
-



DEPENDENT CARE REIMBURSEMENT ACCOUNT

The dependent care reimbursement account gives you an opportunity to pay for certain dependent care expenses with tax-free dollars. This account can be used only for dependents that can be claimed on employee's income tax return, under the age of 13 or mentally or physically disabled. This also includes elderly parents and disabled children of any age.

IRS guidelines allow an employee to deposit up to \$5,000 per year if single or married filing jointly; \$2,500 per year if married and filing separate returns. If both the employee and spouse contribute to dependent care accounts and file a joint tax return, the maximum combined annual contribution is \$5,000. If the employee's spouse is a full time student or disabled, he/she may contribute up to \$2,400 a year for one dependent and \$4,800 for two or more.

The dependent care account may be more valuable than the dependent care tax credit for individuals with household incomes of \$39,000 or more. We do encourage employees to consult their tax advisors as to whether or not it would be advisable to participate in the dependent care reimbursement account.

Employees who incur qualified dependent care expenses must send receipts with claim form to our office for processing. The receipt needs to be a written statement from an independent third party stating that the expense has been incurred and providing the total amount of the expense and signed by the provider. The receipt should also contain the following information: employee's name, dependent's name, period during which the services were rendered; name, address and taxpayer identification number (TIN) of the individual or organization providing services and a description of the service provided. A sample form has been included in this packet for your information. Payments are made weekly as long as there is enough money in the account to cover the claim.

The dependent care reimbursement account offers attractive tax savings, however, there are certain IRS rules that need to be considered:

- 1) *Expenses reimbursed through this account cannot be claimed as income tax credits.*
- 2) *Employees cannot change their elections until the next plan year unless they have a family status change.*
- 3) *Any money left in the account at the end of the plan year is forfeited.*
- 4) *The employee must file form 2441 with the IRS.*

Employees can use the dependent care account to pay for: after school care, care provided in or outside your home by someone other than another dependent, daycare centers, nursery school, pre-school tuition.



DATE RECEIVED

MSMA USE ONLY

MEDICAL CARE EXPENSE REIMBURSEMENT REQUEST

INSTRUCTIONS: Complete this form and attach a copy of your insurance company's statement (EOB). If you do not have insurance attach receipts, which include a description of the expense, patient name, date(s)-of-service, amount paid, and the provider's name, address. If you have a managed care program, please attach a receipt for your co-pay from the provider's office. To help expedite your claim form request please make sure your receipt states "co-pay" on it. **Do not send copies of checks or charge-card receipts.**

FOR A CLAIM FORM OR CURRENT LIST OF REIMBURSABLE EXPENSES PLEASE GO TO OUR WEBSITE @ WWW.MSMAWEB.COM

Employee Name: _____ Employer: _____

Please fill out the information only if a change has taken place since your enrollment or last claim submission
Home Phone: _____ Work Phone: _____
Mailing Address: _____

Please list the name and relationship of all dependents for whom expenses were incurred:

NAME	RELATIONSHIP
_____	_____
_____	_____

TOTAL EXPENSES SUBMITTED \$ _____

CERTIFY THAT: all items submitted for reimbursement comply with the Section 125 Reimbursement Plan and such items have not and will not be paid by any other plan of any employer or any other person. I also certify that such items will not be deducted or taken as tax credits on my personal federal or state income tax return any year.

EMPLOYEE SIGNATURE: _____ DATE: _____

Send your request for reimbursement to:
MSMA-GIT/125
49 Community Drive
Augusta, ME 04330

Please call with any questions:
Out of state: 1-800-660-8484
In state: (207) 622-3473

(MSMA USE ONLY)

APPROVED _____ DATE _____
DATE PAID _____ CHECK# _____
CLAIM NUMBER _____

CLAIMS CANNOT BE FAXED

PY 1 : PY 2



DAYCARE RECEIPT

Daycare Provider: _____

Address: _____

Tax ID#: _____

Date: _____

Received from _____

In the amount of \$ _____

Daycare provided for _____

For dates of service _____ to _____

Daycare provider signature: _____



Date Received

MSMA USE ONLY

DEPENDENT CARE EXPENSE REIMBURSEMENT REQUEST

FOR A CLAIM FORM PLEASE GO TO OUR WEBSITE WWW.MSMAWEB.COM

INSTRUCTIONS: Complete this form and attach a receipt, which includes a description of the expense, date(s) of service, amount paid, the provider's name, address and federal tax-payer identification number. Do not send copies of checks or charge-card receipts.

Employee Name: _____ Employer: _____

Please fill out this information only if a change has taken place since your enrollment or last claim submission

Home Phone: _____

Work Phone: _____

Mailing Address: _____

Please complete the following:

NAME	RELATIONSHIP
_____	_____
_____	_____

DATE(S) DAYCARE EXPENSES WERE INCURRED	AMOUNT PAID
_____	_____
_____	_____

TOTAL AMOUNT PAID \$ _____

I CERTIFY THAT: all items submitted for reimbursement comply with the Section 125 Reimbursement Plan and such items have not and will not be paid by any other plan of any employer or any other person. I also certify that such items will not be deducted or taken as tax credits on my personal federal or state income tax return any year. *Note: prepare to file the IRS form 2441 with your tax return*

EMPLOYEE SIGNATURE: _____

DATE: _____

Send your request for reimbursement to:

MSMA-GIT/129
49 Community Drive
Augusta, ME 04330
Out of state: 1-800-660-8484
In state: (207) 622-3473

(FOR OFFICE USE ONLY)

APPROVED _____	DATE _____
DATE PAID _____	CHECK # _____
CLAIM NUMBER _____	