

IRS Code Section 213(d) FSA Eligible Medical Expenses

An eligible expense is defined as those expenses paid for care as described in Section 213 (d) of the Internal Revenue Code. Below are two lists which may help determine whether an expense is eligible. For more detailed information, please refer to IRS Publication 502 titled, "Medical and Dental Expenses."

Below are some general guidelines on eligible and ineligible items. You should always consider consulting a tax professional regarding the deductibility of any items you are unsure about.

Deductible Medical Expenses

Abdominal supports	Fees paid to health institute prescribed by a doctor	Oxygen and oxygen equipment
Acupuncture	FICA and FUTA tax paid for medical care service	Pediatrician
Air conditioner (when necessary for relief from difficulty in breathing)	Fluoridation unit	Physician
Alcoholism treatment	Guide dog	Physiotherapist
Ambulance	Gum treatment	Podiatrist
Anesthetist	Gynecologist	Postnatal treatments
Arch supports	Hearing aids and batteries	Practical nurse for medical services
Artificial limbs	Hospital bills	Prenatal care
Autoette (when used for relief of sickness/disability)	Hydrotherapy	Prescription medicines
Blood tests	Insulin treatment	Psychiatrist
Blood transfusions	Lab tests	Psychoanalyst
Braces	Lead paint removal	Psychologist
Cardiographs	Legal fees	Psychotherapy
Chiropractor	Lodging (away from home for outpatient care)	Radium Therapy
Contact Lenses	Metabolism tests	Registered nurse
Convalescent home (for medical treatment only)	Neurologist	Special school costs for the handicapped
Crutches	Nursing (including board and meals)	Spinal fluid test
Dental Treatment	Obstetrician	Splints
Dental X-rays	Operating room costs	Surgeon
Dentures	Ophthalmologist	Telephone or TV equipment to assist the hard-of-hearing
Dermatologist	Optician	Therapy equipment
Diagnostic fees	Optometrist	Transportation expenses(relative to health care)
Diathermy	Oral surgery	Ultra-violet ray treatment
Drug addiction therapy	Organ transplant (including donor's expenses)	Vaccines
Drugs (prescription)	Orthopedic shoes	Vitamins (if prescribed)
Elastic hosiery (prescription)	Orthopedist	Wheelchair
Eyeglasses	Osteopath	X-rays

Eligible Over-the-Counter Drugs

*As of January 1, 2011, FSA funds are no longer able to be used for Over-the-Counter drugs and medications -other than insulin - without a prescription from a medical provider.

Antacids	Sinus Medications and Nasal sprays	Wart removal medication
Allergy Medications	Nicotine medications and nasal sprays	Antibiotic ointments
Pain Relievers	Pedialyte	Suppositories and creams for hemorrhoids
Cold medicine	First aid creams	Sleep aids
Anti-diarrhea medicine	Calamine lotion	Motion sickness pills
Cough drops and throat lozenges		

Non-Deductible Medical Expenses

Advancement payment for services to be rendered next year	Funeral, cremation, or burial expenses	Social activities
Athletic Club membership	Health programs offered by resort hotels, health clubs, and gyms	Special foods and beverages
Automobile insurance premium allocable to medical coverage	Illegal operations and treatments	Specially designed car for the handicapped other than an autoette or special equipment
Boarding school fees	Illegally procured drugs	Stop-smoking programs
Bottled Water	Maternity clothes	Swimming pool
Commuting expenses of a disabled person	Non-prescription medication	Travel for general health improvement
Cosmetic surgery and procedures	Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits	Tuition and travel expenses a problem child to a particular school
Cosmetics, hygiene products and similar items	Scientology counseling	Weight loss programs

Ineligible Over-the-Counter Drugs

Toiletries (including toothpaste)	Vitamins (daily)
Acne treatments	Fiber supplements
Lip balm (including Chapstick or Carmex)	Dietary supplements
Cosmetics (including face cream and moisturizer)	Weight loss drugs for general well being
Suntan lotion	Herbs
Medicated shampoos and soaps	

FSA Dependent Care Expenses that are Eligible

For more detailed information, please refer to IRS Publication 503 titled, "Child and Dependent Care Expenses," If tax advice is required, you should seek the services of a competent professional.

Dependent Care Reimbursement

An eligible dependent is any dependent who is less than 13 years old and your dependent under federal income tax rules. An eligible dependent may also include your mentally or physically impaired spouse or a dependent who is incapable of caring for him or herself (for example, an invalid parent). The dependent must spend at least eight hours per day in your home.

- Child care services will qualify for reimbursement from the Dependent Care Reimbursement Account if they meet these requirements:
- The child must be under 13 years old and must be your dependent under federal tax rules. Note: If your child turns 13 during the year, you cannot stop your contribution at that time.
- The services must be incurred to enable you, or you and your spouse to be employed
- The amount to be reimbursed must not be greater than your income or the combined income of an employee and spouse, whichever is lower.
- The services may be provided inside or outside your home, but not by someone who is your minor child or dependent for income tax purposes (for example, an older child).
- Services must be for the physical care of the child, not for education, meals, etc.
- If the services are provided by a day-care facility that cares for six or more children at the same time, it must be a qualified day-care center.

Dependent Care Expenses that are Eligible

Allowable Dependent Care expenses include payments to the following when the expenses enable you to work*:

- Child care centers
- Caregivers for a disabled dependent or spouse who lives with you
- Family day care providers
- Baby-sitters
- Nursery schools
- Household services, provided that a portion of these expenses are for a qualifying dependent incurred to ensure the dependent's well-being and maintenance

Dependent Care Expenses that are not Eligible

- Dependent care expenses that are provided to one of your dependents by a family member, unless the family member is age 19 or over by the end of the year and will not be claimed as a dependent
- Expenses for food and clothing
- Education expenses from kindergarten on, such as private school fees
- Health care expenses for your dependents
- Overnight camps