

SECTION 1 25

FLEXIBLE BENEFIT PLANS

*A Summary of the Reimbursement
Account Arrangement*

Medical Expense Reimbursement
Dependent Day Care Reimbursement
AFES / Rev. 06/05



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 will be in force for the next plan year.

Although Section 125 regulations permit a benefit election change in the event of a change in status, in most cases, **no election changes are permitted for the Medical Reimbursement 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*
- Forms*

We have also included a supply of Expense Reimbursement Vouchers and Dependent Day Care Provider Acknowledgment Forms for your convenience. You can now review the status of your account 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,

A handwritten signature in black ink that reads 'Linda Reynolds'.

Linda Reynolds
Assistant 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: An Unreimbursed Medical Expense Account and a Dependent Day Care Account.

Unreimbursed Medical (URM) Accounts

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 (DDC) Expense Accounts

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 look for work. 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.
- 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 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 expense 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. If the care is for a qualifying relative, that person cannot have gross income exceeding \$3,200 for 2005.
- 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:

Dependent day care center expenses 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 the care is for a qualifying relative, that person cannot have gross income exceeding \$3,200 for 2005.

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 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 care plan 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 medical reimbursement may not subsequently be used for reimbursement of Dependent Day Care expenses, and vice versa.
- If you are enrolled in the Medical Expense Reimbursement 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 medical expense reimbursement 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 reimbursement 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 it or lose it” 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, 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 Medical Expense Reimbursement 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 Medical Expense Reimbursement 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 Medical Expense Reimbursement 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 Medical Expense Reimbursement 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 below of acceptable documentation.
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.** Please allow 24 hours before inquiring about receipt of fax.
3. American Fidelity's **Flex Team will process the voucher and you will be reimbursed for your 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 payments are received.
4. You can **choose to have your reimbursement mailed to you or electronically transferred** into your checking or savings 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.



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 or savings account. Simply fill out the "Authorization Agreement for Automatic Deposits" located at the end of this booklet.
- Toll-free customer service line to assist you with filling out your voucher form and answering any questions you have on a your Flexible Spending Account. 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 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 last 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** ®! American Fidelity is delighted to announce our new website – **afadvantage.com** ®. Our new site 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 AFAdvantage 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. Happy Surfing!

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. Please wait 24 hours before you call, so we can be sure your fax has been entered and we are giving you accurate information.

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.*

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 Dr '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.

QUESTIONS & ANSWERS, CONTINUED

Q: What paperwork is required for a Dependent Day Care claim?

We need the voucher and the Dependent Day Care acknowledgment form. The acknowledgment form must include the tax id or individual social security number of the provider.

Q: Can I cancel my Dependent Day Care plan?

The only way Dependent Day Care 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 deposit is posted and there is a pended amount (claims in excess of deposits) then we will automatically pay on the pended amount. When an additional claim is received, we will send another reimbursement for the remainder.

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.

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. 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'll find at the end of this brochure. 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.

Authorization Agreement for Automatic Deposits (Credits)

Name of Employer		Daytime Phone
Name of Employee (Last, First, M.I.)		Social Security #
Address	City & State	Zip Code
Deposit into my (Check One): Checking Account Saving Account		
E-mail address		

I hereby authorize American Fidelity Assurance (AFA) Company to make deposits into my account. I understand that it will take approximately two weeks from the date that AFA receives this authorization for direct deposits to begin.

This authority is to remain in full force and effect until AFA has received written notification from me of its termination in such time and such manner as to afford AFA and my financial institution a reasonable opportunity to act on it.

Signature

Date

NOTE: VOIDED CHECK MUST BE ATTACHED HERE

Fax Number: 1-800-543-3539

Or Return To:

American Fidelity Assurance Company Flex
Account Administration / AFES P O Box
25510
Oklahoma City Oklahoma 73125

You may also fax this information to: 1-800-543-3539

SECTION 125 FLEXIBLE BENEFIT PLAN EXPENSE REIMBURSEMENT VOUCHER

Name of Employer		Daytime Phone (with area code)
Name of Employee (Last, First, M.I.)		Social Security #
Address	City & State	Zip Code
Is this a New Address? Yes No	Email Address:	

Date of Service	Description of Expense	Family Member for Whom Expense Was Incurred	Amount of Expense	
			Medical Expense	Dependent Care
TOTAL				

UNREIMBURSED MEDICAL (URM) EXPENSE GUIDELINES: With the expense voucher, you will need to submit a professional bill or receipt that includes the following: 1) Service provider's name; 2) Type of service rendered; 3) Charge for service; and 4) Original date of service. Note: the date of service, NOT the date of payment, must fall within the dates of the Section 125 plan year (or grace period, if applicable) for which you are enrolled. When submitting a claim for orthodontia, you must provide a copy of the ortho contract with your first reimbursement request. Receipts for service should include a detailed description of the service. Acceptable documentation of an expense includes an insurance company's explanation of benefits or a pharmacy statement with an Rx number and name of prescription. Unacceptable documentation includes cancelled checks, credit card receipts or a statement or bill that shows a balance forward, previous balance or payment due.

DEPENDENT CARE (DDC) EXPENSE GUIDELINES: You must submit a completed Dependent Care Acknowledgment Form with the expense voucher for reimbursement.

*****INCOMPLETE VOUCHER OR ACKNOWLEDGMENT FORMS MAY DELAY PROCESSING OR RESULT IN A DENIED CLAIM*****

I authorize the above expense(s) to be reimbursed from my medical expense and/or dependent care reimbursement account(s), whichever applies. To the best of my knowledge, my statements on this form are true and complete. I certify all of the following: Either I, my Spouse, or my Dependent has received the services described above on the dates indicated and the expenses qualify as valid medical care expenses under Code Section 213(d). If I am a participant of a Health Savings Account and am also covered under a Limited Purpose medical expense account, the above expenses qualify as being services that are eligible under the account. These expenses have not previously been reimbursed under the medical expense or dependent care reimbursement account or any other health plan and I will not seek reimbursement for them under my medical insurance or any other health plan. I understand that expenses for cosmetic purposes, toiletries or for general good health do not constitute an eligible expense. I understand that expenses reimbursed may not be used to claim any federal income tax deductions or credit. I also understand that I may be asked to provide further details about some expenses, such as a statement from a medical practitioner that the expense is to treat a specific medical condition or a more detailed certification from me.

_____ Date Signed
_____ Signature of Employee

Mailing Address: American Fidelity Assurance, Flex Account Administration, P. O. Box 25510, Oklahoma City, OK 73125

Fax Number: (800) 543-3539 You may call after 24 hours for confirmation of receipt of a fax. American Fidelity will not be responsible for faxes not received. Average processing time is 5 to 7 working days from receipt of a completed voucher. Additional Forms and Account Information are available on our website at: www.afadvantage.com

FlexConnection® Interactive Phone Response Number: (800) 325-0654

DEPENDENT DAY CARE PROVIDER ACKNOWLEDGMENT

It is hereby acknowledged by _____ (the "Dependent Day Care Provider") that it is in compliance with any and all applicable federal, state, and local regulations governing dependent day care centers.

The Dependent Day Care Provider further acknowledges that it has billed or received \$ _____ from _____ (Employee's Name/"Participant") for dependent day care services rendered for the period of _____ through _____ for the following individuals.

Name	Age
_____	_____
_____	_____
_____	_____
_____	_____

(Print name of dependent day care center or individual provider)

(Tax I.D. number of dependent day care center, or social security number of individual provider)

(Address of dependent day care center or individual provider)

(Signature of dependent day care center representative or individual dependent day care provider)

(Date of signature)

In order for your claim to be processed promptly, please submit a voucher and a Dependent Day Care Provider Acknowledgment form. **(The day care provider's name, address and TIN must be included on your annual income tax return by completing Schedule 2 of Form 1040A or Form 2441.)**

Common Medical Expenses
(not all-inclusive)
Eligible for Reimbursement

Dual-purpose (DP) items require a doctor's diagnosis of a medical condition and evidence that the item is recommended to treat the diagnosed condition.

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

<i>EXPENSE</i>	<i>ELIGIBLE for REIMBURSEMENT?</i>
Abortion	Yes, if legal abortion
Acne treatment (Retin A)	No, unless treating a specific medical condition such as acne vulgaris (DP)
Acupuncture	Yes, if treating a medical condition (DP)
Administrative costs	Generally no, as they are not for medical care
Adoption – medical expenses incurred before adoption is finalized	Yes, if child was legal dependent when services provided
Advanced reimbursements	No
Alcoholism treatment	Yes, for inpatient treatment (including meals and lodging) at a center for alcohol addiction
Allergy medicine	Yes, if treating sickness or injury
Ambulance	Yes
Antacid	Yes
Antihistamine	Yes
Artificial limbs and teeth	Yes
Aspirin	Yes
Babysitting and child care	No
Bactine	Yes
Bandages	Yes
Birth control pills	Yes
Birthing classes / Childbirth classes / Lamaze	Yes, if classes relate to child birth and not child rearing. Expenses for coach (or doula) or significant other are <i>not</i> eligible
Blood pressure monitoring device	Yes
Blood sugar test kit and test strips	Yes
Body scan	Yes
Braille books and magazines	Yes, for visually-impaired person, but only the amount above cost of regular printed material
Breast pump	No, unless medical need (DP)
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 (DP)
Childbirth classes	See Lamaze (DP)
Chiropractors	Yes

Chondroitin	Yes if used to treat medical condition and not just for general health (DP)
Circumcision	Yes
Claritin	Yes
COBRA premiums	No
Co-insurance amounts and deductibles	Yes
Cold medicine	Yes
Cold packs	Yes
Condoms	Yes
Contact lenses, related materials & equipment	Yes, if the lenses are needed for medical reasons.
Contraceptives	Yes
Cosmetics	No, including face cream, deodorant, hand lotion, or any other item used for ordinary cosmetic purposes
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
Cough suppressants	Yes
Counseling	Yes, for medical reason. No for marriage counseling (DP)
Crutches	Yes, for rental or purchase
Decongestants	Yes
Deductibles	Generally yes, see co-insurance & deductibles
Dental treatments	Yes, see restrictions for orthodontia, teeth whitening and bleaching
Dentures and denture adhesives	Yes
Deodorant	No
Dependent daycare expenses	No
Diabetic supplies	Yes. See Glucose monitoring devices and insulin
Diapers or diaper service	No, except may be reimbursable where used to relieve the effects of a particular disease
Diaper rash ointments and creams	Yes
Diagnostic services	Yes
Diarrhea medicine	Yes
Dietary supplements	No for general health (including nutritional supplements, vitamins, herbal supplements and natural medicines) but may be reimbursable if recommended by medical practitioner to treat specific medical condition. (DP)
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 (DP)
Drug addiction treatment	Yes, for inpatient treatment (includes meals and lodging) at therapeutic drug center
Drug overdose treatment	Yes
Drugs and medicines	Yes, if legally obtained and generally accepted as medicines and drugs and if treating a medical condition. This includes both prescribed drugs and over the counter drugs.
Ear plugs	Yes if treating medical condition (DP)
Egg donor fees	Yes
Eggs and embryos, storage fees	Maybe, with respect to temporary storage, but only to the extent necessary for immediate conception (DP)
Electrolysis or hair removal	Generally no

Eye examinations, eyeglasses and related equipment and materials	Yes, amounts paid for eyeglasses and lenses prescribed by doctor for medical reasons, eye examinations and eyeglass cleaners are eligible
Face creams, moisturizers and face lifts	No, because usually cosmetic
Feminine hygiene products (tampons, etc.)	Generally no (DP)
Fertility enhancement (e.g. treatments, surgery, GIFT, IVF, etc.)	Yes, to extent procedures are intended to overcome an inability to have children. Expenses for in vitro surrogate not deductible unless the surrogate is a tax dependent.
Fiber supplements	No if taken as a supplement to normal diet. Yes, under narrow conditions if recommended by medical practitioner to treat specific medical condition (DP)
First aid cream and first aid kits	Yes
Fitness programs	Only if prescribed by doctor for treatment of obesity or other medical condition (DP)
Flu shots	Yes
Funeral expenses	No
Gauze pads	Yes
Genetic testing	A gray area. Yes, if for determination of possible birth defects, no if for sex determination (DP)
Glucosamine	Yes if primarily for medical care (DP)
Glucose monitoring equipment	Yes, 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 /hair 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 (DP)
Hearing aids	Yes, includes cost of hearing aid and batteries
Hemorrhoid treatments	Yes
Home care	Yes, if expenses qualify as nursing services. No if for long term care (DP)
Hormone replacement therapy	Yes if used primarily for medical care (DP)
Hospital services	Yes
Illegal operations or treatments	No
Immunizations	Yes
Incontinence supplies	Possibly, if used to relieve the effects of a particular disease (DP)
Infertility treatments	See Fertility Enhancements
Insect bite creams and ointments	Yes
Insulin	Yes
Insurance premiums	No
In vitro fertilization	See Fertility Enhancements
Lab fees	Yes, if part of medical care
Lamaze classes	May be partially reimbursable, to the extent that the instruction relates to birth and not child rearing. Amounts for the coach or significant other are not reimbursable. (DP)
Language training for dyslexic/ disabled child	Yes (DP)
Laser / Lasik eye surgery / Radial Keratotomy	Yes, if for correction of eye function
Laxatives	Yes
Learning disability	Yes, 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
Lodging at hospital or similar institution	Yes if there to receive medical care
Lodging not 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 (4) no element of personal pleasure, recreation or vacation in the travel.
Lodging while attending 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 (DP)
Mastectomy-related special bras	No, unless prescribed for mental health treatment (DP)
Medic-alert bracelet or necklace	Yes, if recommended by a medical practitioner in connection with treating a medical condition (DP)
Medical conference admission & transportation	Yes (DP)
Medical monitoring and testing devices	Yes, including blood pressure monitors, syringes, glucose kit, etc.
Medical records charges (to transfer records to new practitioner)	Yes
Medical services	Yes if legal medical service is recommended by physician, surgeon, specialist or other medical practitioner
Medicines & drugs	Yes. See Drugs & medicines.
Motion sickness pills	Yes
Nasal sprays or strips	Yes if used to treat sinus problems or sleep apnea (DP)
Naturopathic healers, dietary substitutes and drugs and medicines	Generally no (DP)
Nicotine gum or patches	Yes
Norplant insertion or removal	Yes. See contraceptives; birth-control pills; vasectomy and spermidical foam
Nursing home expenses	Possibly reimbursable if main reason for being there is to get medical care. (DP)
Nursing services provided by nurse or other attendant	Yes, so long as services are of a kind generally performed by a nurse. (DP)
Nursing services for a baby	No if baby is normal and healthy
Nutritionist's professional expenses	Possibly. if treatment relates to a specifically diagnoses medical condition (DP)
Nutritional supplements	No if merely beneficial for general health, but possibly reimbursable if recommended by a medical practitioner for a specific medical condition (DP)
Obstetrical expenses	Yes
Occlusal guards to prevent teeth grinding	Yes
Optometrist	Generally yes
Organ donors	See Transplants
Orthodontia	Generally yes, unless for cosmetic purposes
Orthopedic shoes and inserts	Yes to the extent they exceed cost of regular shoes (DP)
Over-the-counter medicines	See Drugs and Medicines (DP)
Ovulation monitor	Yes
Pain relievers	Yes
Patterning exercises	Yes, for exercises to a mentally retarded child
Physical exams	Yes, if not employment-related
Physical therapy	Yes, to treat specific medical condition
Pregnancy test kits	Yes

Prenatal vitamins	Generally yes (DP)
Propecia	Generally no, if purchased for cosmetic purposes (DP)
Psychiatric care	Yes if for medical care
Psychoanalysis or psychologist	Yes, if for medical care and not just for the general improvement of mental health, relief of stress, etc. (DP)
Retin A	No, unless treating a specific medical condition such as acne vulgaris (DP)
Rogaine	No (DP)
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 if the primary purpose of the program is medical care (DP)
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 school is disciplinary. (DP)
Screening tests	Yes if used for medical diagnosis
Sleep deprivation treatment	Probably yes with respect to testing and treatment if person is under care of a medical practitioner
Smoking cessation program	Yes, including both prescription and over the counter drugs and medicines
Special foods (such as foods needed for a gluten-free or salt-free diet)	Yes, if prescribed by a physician to treat a specific illness or ailment and is not a substitute for normal nutritional requirements. Reimbursement is limited to the difference between the cost of special food and the cost of commonly available regular food (DP)
Spermicidal foam	Yes
Sperm, storage fees	Maybe, for temporary storage but only to the extent necessary for immediate conception (DP)
Sterilization procedures	Yes if legally-performed operation
Stop-smoking program	Generally, yes
Sunglasses	Yes, if they are prescription lenses
Sunscreen	No, unless person has a prior history of skin cancer and would not have bought sunscreen "but for" medical condition (DP)
Suntan lotion	No
Supplies to treat medical condition	Yes, if 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	No
Telephone equipment for hearing impaired persons	Yes, for expenses of buying and repairing special telephone equipment for hearing-impaired person (DP)
Television equipment for hearing impaired persons	Yes, but reimbursable amount is limited to the cost that exceeds cost of regular item (DP)
Thermometers	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's dependent (meals and lodging are not eligible) (DP)
Transportation and related travel expenses for person receiving medical care	Yes, if travel is primarily for, and essential to, medical care. Includes parking fees and tolls. Car mileage is reimbursed at the current rate set by the IRS each year (DP)
Vasectomy	Yes
Viagra	Yes, to treat medical condition
Vitamins	No, to promote general good health. Eligible if legal and recommended by medical practitioner to treat a specific medical condition (DP)
Weight loss programs and/or drugs prescribed to induce weight loss	Yes, if prescribed by doctor to treat obesity or other medical condition (DP)
Wheelchair	Yes
X-ray fees	Yes, if received for medical reasons

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