The list of eligible health care items is updated frequently by the Internal Revenue Service. If you are uncertain about whether or not an item or service qualifies for reimbursement, you should determine expense eligibility before making the purchase. Also, your employer's plan document may limit eligible expenses for which you may receive reimbursement.

**General Expenses:**
- Medical plan deductibles
- Medical plan co-payments
- Dental
- Orthodontia expenses
- Vision care expenses: exams, glasses, contact lenses and lens maintenance solutions, laser eye surgery
- Routine checkups and physicals
- Routine medical foot care
- Services for alcoholism or drug addiction (qualified)
- Cosmetic surgery (medically necessary)
- Birth control pills, devices and procedures
- Private duty nursing services
- Well baby care and immunizations
- Tobacco cessation programs (physician prescribed)
- Occupational/physical therapy
- Chiropractor expenses for medical care
- Infertility treatments
- Psychology and psychoanalysis
- Weight-loss program (medically necessary)
- Speech therapy

**Equipment & Supplies:**
- Back support devices
- Specialized apparatuses for the sick/physically disabled
- Orthopedic shoes
- Special mattress (medically necessary)
- Repair of special phone equipment for the deaf
- Hearing aids and batteries

**Medical Treatments:**
- Acupuncture or related procedures when treating a medical condition
- Sterilization (reproductive)
- Whirlpool baths (medically necessary)
- Prescription drugs
- Over-the-counter drugs and medicines (qualified)

**Miscellaneous Items:**
- Braille books
- Convalescent home (for medical treatment only)
- Reading therapy for dyslexic child
- Guide dog and its maintenance
- Select educational costs for physically and cognitively handicapped children

There is no cost to you to have and use a Flexible Spending Account...no setup fee, no hidden fees. And a special advantage of the ADP Health Care FSA allows immediate access to your entire annual election amount from the first day of the benefit year, before all scheduled contributions have been made.
The key to getting the most from your FSA is to maximize your contributions based on your anticipated eligible expenses. To plan your contributions, follow these simple steps.

- Review the list of eligible expenses.
- Review your health care expenses from last year.
- Write down any new eligible expenses you anticipate in the new benefit plan year (for example, prescription eyeglasses, new medications, scheduled surgery, loss of dental or vision coverage, orthodontia, etc.).

Just consider for a moment the savings...20% to 40% less out of your pocket on things you have to pay for anyway!

- Be sure to include plan deductibles or some portion of them.
- Then estimate your cost for each of these uncovered or partially covered eligible expenses. The total of your individual estimates from above is about what you should contribute to your FSA.

And the more you need to spend on eligible expenses, the greater the value you will realize from your FSA. It is also important to remember that an FSA is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the plan year. So, plan to contribute what you expect to be able to spend on eligible expenses within the benefit plan year.

A contribution planning worksheet is available online and in print to help you plan your contributions.

Coverage Eligibility
You may enroll in your employer's FSA plan even if you receive health care insurance through your spouse's employer. And your FSA may be used for eligible expenses for all of your qualified dependents. Please remember you must actively re-enroll each year in your Health Care FSA plan.

It may surprise you how much you actually pay out of your pocket each year for health care expenses.

Purchasing with Pre-Tax Dollars
The below examples assume a net tax rate of 30%. Your personal tax rate may be greater or less.

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
<th>Net Cost</th>
<th>Tax Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductibles for Adults (2)</td>
<td>$1,000</td>
<td>$700</td>
<td>$300</td>
</tr>
<tr>
<td>Deductibles for Children (2)</td>
<td>$1,000</td>
<td>$700</td>
<td>$300</td>
</tr>
<tr>
<td>Eyeglasses (2 pair)</td>
<td>$400</td>
<td>$280</td>
<td>$120</td>
</tr>
<tr>
<td>Prescription Co-Payments (annual)</td>
<td>$360</td>
<td>$252</td>
<td>$108</td>
</tr>
<tr>
<td>Laser Eye Surgery</td>
<td>$1,200</td>
<td>$840</td>
<td>$360</td>
</tr>
<tr>
<td>Orthodontia</td>
<td>$5,000</td>
<td>$3,500</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

Learn more about Flexible Spending Accounts at www.flexdirect.adp.com

Opening Your Account
It's as simple as 1-2-3 to begin contributing to your new Health Care FSA Account.

1. Plan your contributions. Use the More About Health Care FSA link at www.flexdirect.adp.com for contribution planning assistance.
2. Enroll in the Health Care FSA during your annual enrollment or new hire election period.
3. Review your account online through the FSA website soon after the plan year begins and at least monthly thereafter.

Your payroll contributions to your new FSA account will begin with the new plan year or according to your employer’s plan documentation.