

ORTHODONTIA GUIDELINES—FLEXIBLE SPENDING ACCOUNT

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 will be made in accordance with your orthodontic financial/treatment plan.

Example: 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.

****Note: Examples above used appliances placed in January. Appliances placed in a different month would need to be pro-rated using remaining months in the plan year. Example: Appliances placed in September. Amount that can be requested is the down payment and three months of Orthodontia payments.**

If you make a lump sum payment to receive a discount, you will be reimbursed the entire amount up to your annual election for the current plan year. No additional reimbursement will be made under the original contracted agreement for the new plan year.

If you paid in a lump sum last year and you were reimbursed a prorated amount, the balance due can be reimbursed in 2006 by providing a copy of the payment information, claim form and a letter indicating the amount you were reimbursed in 2005.