

## **FRESNO METROPOLITAN FLOOD CONTROL DISTRICT CAFETERIA PLAN**

The District sponsored Cafeteria Plan provides employees with the opportunity to pay for certain expenses with pretax dollars. Eligible expenses include the dependent cost of District medical insurance premiums, unreimbursed medical expenses and dependent care expenses. Employee payroll contributions to the Cafeteria Plan are exempt from federal and state income taxes, state disability tax, social security and medicare taxes. The contributions do not appear on the employees' annual W-2 form as wages subject to income taxes.

### **QUALIFYING MEDICAL EXPENSES**

Under the Plan, you will be reimbursed only for those types of medical expenses not reimbursed by insurance for the employee and his/her dependents that normally can be deducted on federal income tax returns. The maximum amount an employee can contribute per year is \$5,500. The following represents a partial listing of expenses that are reimbursable under the Plan. For a complete list, refer to IRS Publication 502, Medical and Dental Expenses.

- Medicine, drugs, birth control pills, vaccines and vitamins prescribed by your doctor.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, psychoanalysts, physical therapists, sex therapists and acupuncturists (medical care only).
- Medical examination, x-ray and laboratory service, insulin treatment and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can be reimbursed only for the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Smoking cessation treatment as prescribed by a physician.
- Weight loss program under a doctor's care for medical necessity.
- Medical aids, such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spend for gas and oil to go to and from the place you received the care; or you can claim mileage at the current rate established by IRS Code Section 213. Add parking and tolls to the amount you claim under either method.
- Over-the-Counter (OTC) drugs meeting the definition of "Medical Care" under IRS Code Section 213(d).

## **QUALIFYING DEPENDENT CARE EXPENSES**

Expenses for the childcare of dependents who require care so the employee may work are eligible. The maximum annual contribution is \$5,000; this limit is imposed by the IRS and matches the amount of dependent care credit that can be claimed for tax purposes. If both spouses have a dependent care plan through each employer, the maximum they can claim together is \$5,000 annually. Dependent care expenses reimbursed by the Cafeteria Plan are not eligible for the dependent care credit for tax purposes.

Under the Plan you will be reimbursed only for dependent care expenses meeting all of the following conditions:

- The expenses are incurred for services rendered before the end of the calendar year.

- Each individual for whom you incur the expenses is:

  - A dependent under age 13 whom you are entitled to claim as a dependent on your federal income tax return; or

  - A spouse or other tax dependent that is physically or mentally incapable of caring for himself or herself.

- The expenses are incurred for the care of a dependent described above or for related household services, and are incurred to enable you to be gainfully employed:

  - If the expenses are incurred for services outside your household, the expenses are incurred for the care of a dependent, or a dependent who regularly spends at least eight (8) hours per day in your household.

  - If the expenses are incurred for services provided by a dependent care center (i.e., a facility that provides care for more than six (6) individuals not residing at the facility), the center must comply with all applicable state and local laws and regulations.

  - The expenses are not paid or payable to a child of yours who is under age 19 at the end of the taxable year in which the expenses are incurred.

  - The expenses are not paid or payable to an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent.