

Health Care Account

Whose Expenses Are Eligible

You can use your Health Care FSA and/or HSA to pay for health care expenses incurred by any of the following people – even if they are not covered by your employer’s health plan:

- Yourself
- Your spouse
- Your qualifying child*
- Your qualifying relative*

* Special rules allow a dependent to be eligible for this plan even when that dependent does not qualify to be claimed as your tax dependent on your tax return form. See the tests below.

Qualifying Child Tests

Answer the following questions for the calendar year(s) covered by your employer’s plan year (or the period of time you will be covered under the plan, if less):		2008	2009
1 Relationship Test	Is the child any of the following: your child, grandchild, stepchild, foster child or adopted child; brother, half-brother or stepbrother; sister, half-sister or stepsister; nephew or niece; or the child or grandchild of any of the relatives listed above?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Relationship Test (For 2009)	If you are not the child’s parent, is it correct to assume that (i) the child’s parent(s) will not be claiming the child as a tax dependent <u>and</u> that (ii) your adjusted gross income is higher than the adjusted gross income of either of the child’s parents? (if the answer to either is 'No', mark the box 'No')	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Residence Test	Will the child reside with you for more than half the calendar year? <i>(Disregard temporary absences due to illness, education, business, vacation, or military service. You must maintain a home for the child during the temporary absence and the child must be expected to return after the absence.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Age Test	As of the last day of the year, will the child be under the age of 19; or under the age of 24 and a full-time student? Or, is the child permanently and totally disabled? <i>(Full-time student means the child is enrolled at a level the school considers to be full-time for at least five months during the calendar year.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Age Test (For 2009)	As of the last day of the year, will you be older than the child? Or, is the child permanently and totally disabled?"	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Support Test	Will the child provide no more than 50% of his/her own support for the calendar year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
7 Marriage Test (For 2009)	Is the child (i) unmarried or, (ii) if married, is it true that the child will not file a joint return (other than only for a claim of refund) with the child’s spouse for the tax year that corresponds to the year for which you will be using Health Care FSA funds to cover the child’s medical expenses? (if the answer to either is 'No', mark the box 'No')	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8 Citizenship/ Residency Test	Is the child a citizen, national or resident of the US; or a resident of Canada or Mexico? <i>(Exception for adopted child, check Yes even if answer is No.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
RESULTS	The child appears to be your qualifying child for the calendar year. Check with your tax advisor to be sure.	All = Yes	All = Yes
	The child does not appear to be your qualifying child for the calendar year, but may be a qualifying relative. Take the Qualifying Relative Tests on the next page to find out.	Any = No	Any = No

Divorced or separated parents: Check with your legal or tax advisor to see if special rules apply to you that would enable your child to be claimed by the non-custodial parent or by both parents.

Tie-breaker: If two or more parents want to claim the same child as their qualifying child, the person who has the right to is: (1) the parent with whom the child lives with longest in the year – if both people are the child's parents, or (2) the parent with the higher adjusted gross income – if both people are the child's parents and the child lives equally with both during the year.

Eligible Expenses

A person is a qualifying child or a qualifying relative for an entire calendar year. You can use your Health Care Account to pay for eligible health care products and services used by your qualifying child or relative during your coverage period – provided the expenses are used during the calendar year in which the dependent is considered your qualifying child or relative.

Example: Your employer's plan year runs from 7/1/2008 to 6/30/2009 and you will be covered for the entire plan year. Your daughter is a qualifying child in 2008, but is not a qualifying child or relative in 2009. The health care products and services your daughter uses between 7/1/2008 and 12/31/2008 are eligible to be paid from your account. The health care products and services your daughter uses between 1/1/2009 and 6/30/2009 are not eligible because she is not a qualifying child or relative at the time she uses the services.

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Qualifying Relative Tests

Answer the following questions for the calendar year(s) covered by your employer's plan year (or the period of time you will be covered under the plan, if less):		2008	2009
1 Relationship Test	Is the person any of the following: your child, grandchild, stepchild, foster child or adopted child; brother, half-brother or stepbrother; sister, half-sister or stepsister; nephew or niece; the child or grandchild of any of the relatives listed above; your father, grandfather or stepfather; mother, grandmother or stepmother; uncle or aunt; or son-, daughter-, father-, mother-, brother- or sister-in-law? Or, any other person who will reside with you for the entire year (while not in violation of local law)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Relationship Test (For 2009)	If you are not the child's parent, is it correct to assume that (i) the child's parent(s) will not be claiming the child as a tax dependent <u>and</u> that (ii) your adjusted gross income is higher than the adjusted gross income of either of the child's parents? (if the answer to either is 'No', mark the box 'No')	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Support Test	Will you provide more than 50% of this person's support for the calendar year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Not Anyone's Qualifying Child Test	No other person is claiming this person as a qualifying child for the calendar year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Marriage Test (For 2009)	Is the child (i) unmarried or, (ii) if married, is it true that the child will not file a joint return (other than only for a claim of refund) with the child's spouse for the tax year that corresponds to the year for which you will be using Health Care FSA funds to cover the child's medical expenses? (if the answer to either is 'No', mark the box 'No')	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Citizenship/Residency Test	Is the person a citizen, national or resident of the US; or a resident of Canada or Mexico? <i>(Exception for adopted child, check Yes even if answer is No.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
RESULTS	The person appears to be your qualifying relative for the calendar year. Check with your tax advisor to be sure.	All = Yes	All = Yes
	The person does not appear to be your qualifying relative for the calendar year. Check with your tax advisor to be sure.	Any = No	Any = No

Divorced or separated parents: Check with your legal or tax advisor to see if special rules apply to you that would enable your child to be claimed by the non-custodial parent or by both parents.

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A person is a qualifying child or a qualifying relative for an entire calendar year. You can use your Health Care Account to pay for eligible health care products and services used by your qualifying child or relative during your coverage period – provided the expenses are used during the calendar year in which the dependent is considered your qualifying child or relative.

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Disclaimer

Copyright © 2008. This information is provided for illustrative purposes only and should not be construed as legal or tax advice. You should consult with a professional advisor regarding your personal situation. The above definitions are effective January 1, 2009 and are the result of recent changes in the tax law. These tests assume the employer's plan defines dependents with reference to Code 105(b)(as amended), and may be further changed by law.

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