

# Medical Flexible Spending Account

# MEDICAL CARE EXPENSE WORKSHEET

## Enhanced Benefits

Take advantage of a benefit that can increase your spendable income -- a Medical Flexible Spending Account (FSA). You can enhance your benefits package by participating in this valuable option, available through your employer's flexible benefit plan. A Medical FSA can help you pay for eligible out-of-pocket medical costs while increasing your spendable income. By taking time to learn more about this plan, you can make the most of your benefit choices.

## The History

Medical FSA plans are qualified benefits under IRS Code Section 125. The United States Congress created IRS Code Section 125 as part of the Revenue Act of 1978 to make benefits more affordable for employees. Your employer has asked Benefit Resource, Inc. to implement this plan and present it to you.

## How It Works

When you participate in a Medical FSA, you elect to have a specified number of tax-free dollars deducted from your gross earnings before taxes are calculated. Many out-of-pocket expenses for medical services provided to you, your spouse or your dependents are eligible for payment from your Medical FSA.

IRS regulations govern the eligibility of expenses. ***In general, eligible expenses include those that are not fully covered by a health care plan and are prescribed by a physician or other licensed professional, as well as over-the-counter drugs and medicines. The expenses must be primarily to prevent, treat, diagnose or mitigate a physical or mental defect or illness. Expenses for solely cosmetic reasons and those that are merely beneficial to one's general health are not considered expenses for medical care.***

Note that the date a service is provided (not the date of payment) determines the Plan Year in which an expense is eligible. The IRS allows one exception: eligibility of orthodontia expenses can be based either on date of payment, date of service or payment due date on statements/coupons.

Adequate documentation substantiating that an expense is eligible must be obtained from the provider.

## Your Spendable Income Increases

When you contribute tax-free dollars to a Medical FSA, you lower your taxable income; therefore, you pay fewer taxes and increase your spendable income.

## The Next Step

Take time to go through this worksheet to determine how a Medical FSA will benefit you. Because of the "use or lose" rule (described in your Summary Plan Description), it is important for you to plan carefully.

**Out-of-pocket expenses for the following services for you and your family may be eligible for payment from your Medical FSA (including co-pay and deductible amounts). Estimate your eligible out-of-pocket expenses below.**

### MEDICAL

- \_\_\_\_\_ Acupuncture
  - \_\_\_\_\_ Alcohol/drug treatment
  - \_\_\_\_\_ Allergy treatments
  - \_\_\_\_\_ Ambulance
  - \_\_\_\_\_ Anesthesia
  - \_\_\_\_\_ Artificial limbs
  - \_\_\_\_\_ Birth control pills
  - \_\_\_\_\_ Braille books and magazines
  - \_\_\_\_\_ Chiropractor fees
  - \_\_\_\_\_ Crutches, wheelchairs
  - \_\_\_\_\_ Diabetic supplies
  - \_\_\_\_\_ Emergency room visits
  - \_\_\_\_\_ Health care equipment
  - \_\_\_\_\_ Hospital bills
  - \_\_\_\_\_ Immunizations
  - \_\_\_\_\_ Infertility treatments
  - \_\_\_\_\_ Laboratory fees
  - \_\_\_\_\_ Mileage to/from provider\*
  - \_\_\_\_\_ OB/GYN exams
  - \_\_\_\_\_ Office visits
  - \_\_\_\_\_ Osteopath fees
  - \_\_\_\_\_ Over-the-counter medical items: *must be for specific medical condition, not general health; does not include dietary supplements (e.g., vitamins), cosmetic items (e.g. lotions, creams) or toiletries (e.g. toothpaste)*
  - \_\_\_\_\_ Oxygen
  - \_\_\_\_\_ Pap smears
  - \_\_\_\_\_ Parking/tolls
  - \_\_\_\_\_ Physical therapy
  - \_\_\_\_\_ Physician fees
  - \_\_\_\_\_ Prescription drugs: *if cosmetic or weight-loss drug, must include certification from physician indicating specific medical condition being treated*
  - \_\_\_\_\_ Private hospital room
  - \_\_\_\_\_ Private nurses
  - \_\_\_\_\_ Psychiatric Care
  - \_\_\_\_\_ Psychological Care
  - \_\_\_\_\_ Routine checkups
  - \_\_\_\_\_ Smoking cessation programs
  - \_\_\_\_\_ Special school, handicapped
  - \_\_\_\_\_ Surgery
  - \_\_\_\_\_ Vaccinations
  - \_\_\_\_\_ Well baby care
  - \_\_\_\_\_ X-rays
- \$ \_\_\_\_\_ SUBTOTAL (a)

### DENTAL

- \_\_\_\_\_ Anesthesia
  - \_\_\_\_\_ Bondings
  - \_\_\_\_\_ Cleanings
  - \_\_\_\_\_ Crowns, bridges
  - \_\_\_\_\_ Dental exams
  - \_\_\_\_\_ Dentures
  - \_\_\_\_\_ Extractions
  - \_\_\_\_\_ Fillings
  - \_\_\_\_\_ Fluoride treatments
  - \_\_\_\_\_ Mileage to/from provider\*
  - \_\_\_\_\_ Occlusal guards
  - \_\_\_\_\_ Oral surgery
  - \_\_\_\_\_ Orthodontia (braces)
  - \_\_\_\_\_ Parking/tolls
  - \_\_\_\_\_ Root canal/therapy
  - \_\_\_\_\_ X-rays
- \$ \_\_\_\_\_ SUBTOTAL (b)

### VISION

- \_\_\_\_\_ Prescription contact lenses
  - \_\_\_\_\_ Contact lens supplies
  - \_\_\_\_\_ Eye exams
  - \_\_\_\_\_ Corrective eye wear
  - \_\_\_\_\_ Corrective eye surgery
  - \_\_\_\_\_ Mileage to/from provider\*
  - \_\_\_\_\_ Parking/tolls
  - \_\_\_\_\_ Prescription sunglasses
- \$ \_\_\_\_\_ SUBTOTAL (c)

### HEARING

- \_\_\_\_\_ Hearing aids
  - \_\_\_\_\_ Hearing exams
  - \_\_\_\_\_ Mileage to/from provider\*
  - \_\_\_\_\_ Telephones for hearing impaired
- \$ \_\_\_\_\_ SUBTOTAL (d)

**TOTAL PLAN YEAR ESTIMATE (e) = a + b + c + d** \$ \_\_\_\_\_

**TOTAL PLAN YEAR TAX SAVINGS (e x 35%)** \$ \_\_\_\_\_

\*The mileage rate for services provided from 1/1 - 6/30/08: # of miles x 0.19; for services provided on or after 7/1/08: # of miles x 0.27.

The Employer maintains a Plan Document; if anything in this document conflicts with the Plan Document, then the Plan Document controls.