

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 medical expenses incurred by 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 it or lose it" 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 Plan Year 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%) \$ _____