

## SAMPLE HEALTH CARE EXPENSES

The reimbursable medical expenses through your Retiree Medical Reimbursement Plan must meet certain guidelines as established by the Internal Revenue Service. Allowable medical care expenses must be those expenses used to alleviate or prevent a physical defect or illness, including amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease. Expenses for treatments that affect the structure or functioning of the body may also be reimbursable, as are treatments for the prevention or alleviation of mental or physical defects or injuries. Expenses incurred for solely cosmetic reasons or that are beneficial to your general health such as a vacation are not allowable. For more information see IRS Publication 502, Medical and Dental Expenses, available at <http://www.irs.gov/pub/irs-pdf/p502.pdf> or from your local IRS office. You should also consult with your tax advisor for more information.

Health care expenses for plan members, spouse and dependents may be considered for reimbursement. Medical Care Expenses for children under the age of 26 or dependents that meet the Internal Revenue Service definition of dependent for tax purposes are eligible for reimbursement. The following table provides examples of eligible health care expenses:

Expense Category	Allowable Expenses	Non-Allowable Expenses
<i><b>Fees/Service</b></i>	<ul style="list-style-type: none"> <li>• Physician's fees</li> <li>• Hospital services</li> <li>• Nursing services for care of a specific medical ailment</li> <li>• Insurance premiums for medical insurance, except employer sponsored coverage unless included on your W-2,, Medicare Part B and D</li> <li>• Surgical or diagnostic services</li> <li>• Cosmetic surgery that treats a deformity caused by an accident or trauma, disease, or an abnormality at birth</li> <li>• Services of chiropractors and osteopaths</li> <li>• Anesthesiologist's fees</li> <li>• Dermatologist's fees</li> <li>• Gynecologist's fees</li> <li>• Obstetrical expenses</li> <li>• Legal sterilization</li> <li>• Christian Science practitioner fees (for medical care expenses only)</li> </ul>	<ul style="list-style-type: none"> <li>• Cosmetic surgery performed solely to improve the patient's appearance (no medical necessity), including teeth whitening</li> <li>• Payments to domestic help, companion, babysitter, etc. who primarily render services of a non-medical nature</li> <li>• Fees for exercise or health club membership when there is no specific health reason for needing membership</li> <li>• Payments for child care</li> </ul>
<i><b>Physicals</b></i>	<ul style="list-style-type: none"> <li>• School and work physicals</li> <li>• Routine and preventive physicals</li> </ul>	
<i><b>Prescription Drugs/ Over-the-Counter Drugs</b></i>	<ul style="list-style-type: none"> <li>• Insulin</li> <li>• Prescribed birth control drugs</li> <li>• Over-the-Counter Drugs purchased under a physician's prescription used for personal use to alleviate or treat personal injuries or sickness. For example:               <ul style="list-style-type: none"> <li>- Pain Relievers (Tylenol, Aspirin, Bengal)</li> <li>- Antacids (Rolaids, Mylanta, Tums)</li> <li>- Allergy and cold medications (Claritin, Benadryl)</li> <li>- Nicotine Patches and gum</li> <li>- Anti-Vomiting or Anti-Diarrhea Medications</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Illegal drugs</li> <li>• Over-the-Counter Drugs that are not prescribed</li> </ul>
<i><b>Treatments and Therapies</b></i>	<ul style="list-style-type: none"> <li>• X-ray Treatments</li> <li>• Treatment for alcoholism or drug dependency</li> <li>• Acupuncture</li> <li>• Vaccinations</li> <li>• Physical therapy (as a medical treatment)</li> <li>• Speech Therapy (as a medical treatment)</li> <li>• Smoking cessation program and Stop-smoking drugs prescribed by a physician</li> <li>• Weight loss program attendance at a weight loss program is prescribed by a physician to treat a specific illness (e.g., heart disease, hypertension or obesity)</li> </ul>	<ul style="list-style-type: none"> <li>• Illegal treatments</li> <li>• Weight loss programs if the purpose is improvement of appearance, general health or a general sense of well being</li> <li>• Diet foods unless the food does not satisfy normal nutritional needs, the food alleviate4s or treats an illness and the need for the food is substantiated by a Physician</li> <li>• Nutritional supplements, vitamins, herbal supplements unless recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician</li> </ul>

<b>Medical Equipment</b>	<ul style="list-style-type: none"> <li>Wheelchair or autoette - cost of operating &amp; maintaining</li> <li>Crutches (purchased or rented)</li> <li>Oxygen equipment and oxygen used to relieve breathing problems that result from a medical condition</li> <li>Artificial limbs</li> <li>Wigs (when prescribed for the mental health of individual who has lost hair due to disease)</li> <li>Excess cost of orthopedic shoes over cost of ordinary shoes</li> </ul>	<ul style="list-style-type: none"> <li>Wigs, when not purchased at the advice of a physician for mental health</li> <li>Vacuum cleaner purchased by an individual with dust allergy</li> </ul>
<b>Vision Care</b>	<ul style="list-style-type: none"> <li>Optometrist's or ophthalmologist's fees</li> <li>Eyeglasses</li> <li>Contact lenses</li> <li>Cleaning solutions</li> </ul>	<ul style="list-style-type: none"> <li>Lens replacement insurance</li> </ul>
<b>Dental and Orthodontic Care</b>	<ul style="list-style-type: none"> <li>Dental Care</li> <li>Artificial Teeth/Dentures</li> <li>Braces, orthodontic services</li> </ul>	
<b>Hearing Expenses</b>	<ul style="list-style-type: none"> <li>Hearing Aids</li> <li>Batteries for operation of hearing aids</li> </ul>	
<b>Assistance for the Handicapped</b>	<ul style="list-style-type: none"> <li>Cost of Braille books and magazines in excess of cost of regular editions</li> <li>Seeing eye dog - cost of buying, training &amp; maintaining</li> <li>Household visual alert system for deaf person</li> <li>Hearing-trained animal to assist deaf person (cost of buying, training and maintaining)</li> </ul>	
<b>Psychiatric Care</b>	<ul style="list-style-type: none"> <li>Services of psychotherapists, psychiatrists and psychologists</li> <li>Psychiatric therapy for sexual problems</li> </ul>	<ul style="list-style-type: none"> <li>Psychoanalysis services received as part of training to become a psychoanalyst</li> <li>Marriage counseling or other therapy not received as medical treatment</li> </ul>
<b>Miscellaneous Charges</b>	<ul style="list-style-type: none"> <li>X-rays</li> <li>Expenses of services connected with donating an organ</li> <li>Cost of computer storage of medical information</li> <li>Cost of a medically necessary special diet, but only to the extent that costs exceed that of a normal diet</li> <li>Transportation expenses primarily for and essential to medical care, including bus, taxi, train, plane fares, ambulance services, parking fees and tolls</li> <li>Lodging expenses (not provided in a hospital or similar institution) while away from home if all of the following requirements are met: <ul style="list-style-type: none"> <li>Lodging is primarily for and essential to medical care</li> <li>Medical care is provided by a doctor in a licensed hospital or in a medical care facility related to or the equivalent of, a licensed hospital</li> <li>Lodging is not lavish or extravagant under the circumstances</li> <li>There is no significant element of personal pleasure, recreation, or vacation in the travel away from home</li> <li>The amount included in medical expenses cannot exceed \$50 for each night for each person. Lodging for a person traveling with the sick person is also included. For example, if a parent is traveling with a sick child, up to \$ 100 per night is included as a medical expense for lodging (meals are not deductible)</li> </ul> </li> <li>Amounts paid for meals during inpatient care at a hospital or similar institution, if the main reason for being there is to receive medical care</li> </ul>	<ul style="list-style-type: none"> <li>Cost of toiletries, cosmetics and sundry items (e.g., soap, toothbrushes)</li> <li>Maternity clothes</li> <li>Diaper service</li> <li>Distilled water purchased to avoid drinking fluoridated city water supply</li> <li>Installation - of power steering in automobile</li> <li>Pajamas purchased to wear in hospital</li> <li>Mobile telephone used for personal calls as well as calls to a physician</li> <li>Insurance against loss of income, loss of life, limb or sight or health insurance premiums paid by an employer sponsored plan unless included on your W-2.</li> <li>Premiums paid for insurance, including auto insurance, medical insurance</li> <li>Funeral expenses</li> </ul> <p><b>PLEASE NOTE:</b> This list is not intended to be a comprehensive list of the health care expenses allowable or not allowable under the Health Care Reimbursement Plan. Please refer to the Internal Revenue Service (IRS) Publication 502 for <b>further</b> information. This Publication is available at the public library or from the IRS at <a href="http://www.irs.gov">www.irs.gov</a>.</p>