

# Spending Account WORKSHEETS

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## Health Care Spending Accounts

By choosing to contribute to the Health Care Spending Account you can round out your health care protection program and help reduce your overall health care expenses. It works by reducing the taxes you pay on dollars you spend on health care. With the Health Care Spending Account, the dollars you spend on health care expenses are never taxed. By contrast, on your annual tax return, your out-of-pocket health care expenses must exceed 7.5 percent of your total income before they qualify as an itemized deduction.

The Health Care Spending Account may be best thought of as a budgeting tool for health care expenses that you anticipate incurring during the year. This worksheet will help you (a) identify your expenses that are eligible for reimbursement, and (b) determine whether and how much to contribute to the Health Care Spending Account.

This worksheet does not provide tax advice. Such advice can be provided by a professional tax advisor.

Remember, if you contribute more than you use, federal law requires that the unused amount be forfeited. But, if your eligible expenses for the year far exceed your contribution to the plan, you will not be taking advantage of the potential tax savings. Plan carefully.

**For best results, please use the Tax Savings Calculator at [www.creativebenefits.com](http://www.creativebenefits.com).**



### Estimating Your Out-of-Pocket Costs for Health Care

Deciding how much to contribute to this plan can be a profitable exercise since the tax savings can be substantial. Even though tax changes may have cut your tax rate, other changes make the Health Care Spending Account very attractive. The Spending Account is an excellent way for you to pay for known expenses with pretax dollars.

1. You will need to estimate your out-of-pocket expenses for the Plan Year. Looking at the expenses you have had over the past few years will give you a good indication of what your expenses might be for the new Plan Year.
  - First, consider payments toward your deductible or office visit copays.
  - Include your cost for routine visits to your family doctors, dentists or other health care providers.
  - If you have predictable expenses for prescribed medications, contact lens solutions, chiropractic visits or other routine care, add those to the total. Over-the-counter drugs, medications and supplies may also be eligible for reimbursement.
  - Review your check book or credit statements for health care expenses you have had.
  - Refer to the list on the last page for additional examples of expenses.
2. Consider how any changes in your situation may affect your estimates for next year. If you expect that you will only have regular doctor's visits, use the deductible as a guide for your out-of-pocket expenses.
3. Refer to the "Eligible Expenses" list in this newsletter for suggestions of expenses you might incur that are not covered by the medical, dental or vision plan, but that can be reimbursed.

Medical (include chiropractic, travel to appointments*, etc.)	\$ _____
Dental (include orthodontia)	\$ _____
Vision (exams, frames, etc.)	\$ _____
Prescriptions and over-the-counter drugs, medications and supplies	\$ _____
Other	\$ _____
<b>Total</b>	<b>\$ _____</b>

\*\$0.15 per mile

(Current 2005 mileage reimbursement amount - Subject to change for the 2006 year)

**See Reverse Side for Dependent Care Spending Account Worksheet**

