



## **Over-the-Counter Drugs Added to FSAs IRS Ruling is Good News for FlexSystem Participants!**

On September 3, 2003, the Internal Revenue Service (IRS) announced that over-the-counter (OTC) drugs could be paid for with pre-tax dollars through health care flexible spending accounts (FSA) and health reimbursement arrangements (HRA). As a result of the Ruling, OTC medicines can now be included in a health flexible spending account (FSA) under a Section 125 Plan.

This ruling allows for OTC drugs needed to alleviate or treat personal injuries and/or sickness. However, the Ruling specifically excludes from reimbursement vitamins and other dietary supplements for general health purposes.

It is important to emphasize that the over-the-counter drug must still be for the purpose of providing medical care. The drugs must be needed to alleviate a medical condition. Examples of appropriate OTC drugs include allergy medications, cold medications, and pain relievers.

### **How Does This Affect Me, The Participant?**

- Effective immediately TASC will include as eligible expenses under its Plans all OTC medicines that are needed due to a medical condition.
- This includes any OTC medicines purchased before the September 3 Ruling date and within your Plan Year, where you maintained valid receipts and documentation.
- To qualify, these expenses must meet the same requirements as all other eligible expenses.
- This development is not a qualifying event for the purpose of making mid-year changes to your elections.
- Take advantage of this ruling change in your subsequent Plan Year elections and SAVE!