

SECTION 125 CAFETERIA PLAN

Q) What is it?

A) It is a plan that allows for you to pay for all or part of your health and life insurance, out-of-pocket medical expenses, and/or dependent daycare costs out of pre-taxed dollars.

Q) Why use it?

A) This plan will allow you greater take-home pay by reducing the amount of your taxable income and an income tax-free reimbursement of certain eligible expenses such as babysitters, preschool, contact lenses, medical insurance, laser surgery, dental work, prescriptions, and much more!

“Use It or Lose It” or is it “Lose It When You Don’t Use It?”

Sometimes people are afraid of using the flex plan out of fear that if they don’t use the dollars they have elected during the plan year they will lose them. Our advice is always to be as accurate as possible, but allow for the fact that none of us has a crystal ball. Perhaps a conservative estimate of our eligible expenses is best. Let’s take a look at four people: Maxine, Mike, Mark, and Mabel each with \$300 worth of expenses.

	Maxine	Mike	Mark	Mabel
Expenses	\$300	\$300	\$300	\$300
Flex Election	\$300	\$200	\$350	\$0
Tax Savings	\$90	\$60	\$105	\$0
Lose It	\$0	\$0	\$50	\$0
Net Savings	\$90	\$60	\$55	\$0

Who was the real loser? Not Mark for over electing. He still had a \$55 net savings, even after “losing” \$50 and in actuality Mark could probably have used his list of eligible expenses or called PRO to get help to spend that \$50. The real loser was Mabel who, because she was so afraid of losing dollars at the end, she elected \$0. She lost \$90 worth of tax savings.

Who’s the real loser with the “Use it or Lose it?”

Those who don’t elect! Don’t be one of those! Be a winner! Get the help you need by talking to a PRO Systems consultant.

Contact Jay Gunwall or Aaron Dallmann at **800-776-4671** for more information.



Eligible Expenses

Abdominal Supports
Acupuncture
Air conditioner (Allergies)
Alcoholism treatment
Ambulance
Anesthetist
Arch supports
Artificial limbs
Autoeette
Birth Control Pills
Blood Tests
Blood Transfusions
Braces
Cardiographs
Chiropractor
Christian Science Practitioner
Contact Lenses
Contraceptive devices (prescription)
Convalescent home
Crutches
Day Care
Dental treatment
Dental X-rays
Dentures
Dermatologist
Diagnostic fees
Drug addiction therapy
Drugs (prescription)
Elastic hosiery (prescription)
Eyeglasses
Fees paid to health institute
Fica&Futa tax paid for medical service
Fluoridation unit
Guide dog
Gum treatment
Gynecologist
Healing services
Hearing aids and batteries
Hospital bills
Hydrotherapy
Insulin treatments
Lab tests
Laser eye surgery
Lead paint removal
Lodging(away from home for outpatient care)
Metabolism tests
Neurologist
Obstetrician
Operating room costs
Ophthalmologist
Optician
Optometrist
Oral surgery
Organ Transplant(including donor's expenses)
Orthopedist
Orthopedic shoes
Osteopath
*Over the counter medication
Oxygen and Oxygen equipment
Pediatrician
Physician
Physiotherapist
Podiatrist
Postnatal treatments
Psychologist
Practical nurse for medical services
Prenatal care
Prescription medication
Psychiatrist
Psychoanalyst
Psychotherapy
Radium therapy
Registered nurse
Special school costs for the handicapped
Spinal fluid test
Splints
Sterilization
Surgeon
Telephone or TV equipment
to assist hard of hearing
Therapy equipment
Transportation expenses(relative to health care)
Ultraviolet ray treatment
Vaccines
Vasectomy
Vitamins(if prescribed)
Wheelchair
X-rays

Eligible OTC Items (must provide itemized receipt)

Acne treatment products
Adult incontinence products (e.g. Depends)
Allergy medicines
(e.g. Benadryl, Claritin, Sudafed)
Anti-fungal medications
(e.g. Micatrin, Lotramin AF)
Anti-itch medications
(e.g. Benadryl, Caladryl, Cortizone)
Antihistamines
Birth control products
(e.g. prophylactics, pregnancy tests)
Cold medicines
Cold sore medications
Cough drops, throat lozenges
Cough suppressants
Decongestants
Denture adhesives
Diabetes supplies
Diaper rash ointments
Ear supplies (e.g. water drying aid, wax remover, ear syringe)
First aid creams
First aid supplies
First aid kit
Gastrointestinal aids
(e.g. antacids, anti-diarrhea medicines, laxatives, nausea medications)
Health monitors
(e.g. blood pressure, cholesterol, HIV, thermometers)
Heat wraps
Heating pads, hot water bottles
Hemorrhoid creams
Lactose intolerance pills
(e.g. Digestive Advantage, Lactaid)

Lice treatment products (e.g. Nix, Rid)
Medicine dropper/spoon
Motion sickness pills/devices
Nasal sprays for congestion
Nasal strips
Ointments for muscle/joint pain
(e.g. BenGay, Tiger Balm)
Ophthalmic products
(e.g. Ocu Hist, Visine, Saline solution)
Pain relievers
(e.g. aspirin, Excedrin, Tylenol, Motrin)
Sinus medications
Sleeping aids (e.g. Tylenol PM)
Smoking cessation products
(e.g. nicotine gum or patches)
Sunscreen
Supports/braces
(e.g. ankle, knee, wrist, therapeutic glove, support hosiery)
Suppositories
Toothache relievers (e.g. Orajel)
Topical ointments for gingivitis
Wart remover medications
Yeast infection creams (e.g. Monistat)

Dual-purpose Items

(require itemized receipt and Certification of Medical Necessity form)

Acne products (e.g. cleansers, washes, wipes, pads, astringents, scrubs)
Breast pump
Calcium supplements
Dental fluoride
Fiber supplements

Hair loss products
Herbal medicines
Homeopathic remedies
Hormone therapy
Joint supplements
Medicated shampoos
Pedialyte
Snoring treatment products
Vaporizers/humidifiers
Vitamins/minerals/supplements
Weight-loss products

Ineligible OTC Items

Acne bars
Baby diapers
Cosmetics
Deodorants
Eye glass cleaning products
Face creams
Feminine hygiene products
Hair removal products
Insect repellants
Lip balms (e.g. Chapstick, Blistex)
Lotions/Moisteners
Mouthwashes
Shampoos
Soaps
Stay awake aids (e.g. No Doz)
Suntan lotions
Teeth whitening products
Toiletries
Toothpaste
Tooth brush
Wrinkle reducers

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