



## North Dakota Public Employees Retirement System

### **OVER-THE-COUNTER DRUGS ARE NOW REIMBURSABLE ITEMS FROM AN EMPLOYEE'S MEDICAL SPENDING ACCOUNT**

On September 3, 2003, the Treasury Department and the IRS published Revenue Ruling 2003-102 which states that reimbursements can be made from a medical spending account for drugs purchased without a physician's prescription (over-the-counter). There was no effective date stated in the ruling which allowed plans to determine when they would allow reimbursement for over-the-counter drugs. The NDPERS Board voted at the September 18, 2003 board meeting, to allow reimbursements for over-the-counter drugs to be effective retroactive to January 1, 2003, provided participants have the proper claim substantiation as outlined below.

### **TYPES OF ELIGIBLE EXPENSES**

#### **Medical Spending Reimbursement Guide**

##### **Reimbursable Items**

Allergy Medicines  
Antacids  
Antibiotic Creams  
Antidiarrheals  
Cold Medicines  
Laxatives  
Pain Relievers  
Smoking Cessation Items

##### **Non-Reimbursable Items**

Food Supplements  
Herbal Remedies  
Vitamins  
Dietary Supplements

### **CLAIM SUBSTANTIATION**

A detailed cash register receipt must be submitted to substantiate your request which will need to include the date of purchase, the name of the item(s) (example, Advil, Immodium, Neosporin, Claritin, etc.) and the price.

**This does not represent an opportunity for participants to make changes to their existing elections for the 2003 Plan Year and over-the-counter drugs continue to be non-deductible on an individual's personal income tax return.**

### **ANNUAL ENROLLMENT SEASON 2004 PLAN YEAR - OCTOBER 1 THROUGH NOVEMBER 17, 2003**

If you purchase over-the-counter drugs for yourself or your dependents to remedy chronic health problems the new ruling can make paying for them easier. By enrolling in the FlexComp Plan you can pay for these items on a pre-tax basis and, therefore, reduce the taxable income reported on your W-2 form. Enrollment materials will be mailed to your home by October 1, 2003. Please review this information carefully to see if participation in the FlexComp Plan will work for you.