

CHANGES

PLAN

HEALTH



The **Affordable Care Act of 2010** created new limits on some workplace health plans. These plans include tax-free flexible spending arrangements and health savings accounts.

Typically, you are given the option to reduce your pay by a specified dollar amount and then use the amount to reimburse yourself for medical expenses. But you may want to prepare now for a change that goes into effect starting in 2011.

Here's what you should know.

Getting reimbursed for medicine

Starting January 1, 2011, the cost of over-the-counter medicine will no longer be reimbursed through these plans unless prescribed by your doctor. If you or someone in your family has a medical need to use over-the-counter medicine, then you must get a prescription from your doctor.

Setting aside dollar amounts

When planning how much money to set aside for your 2011 health spending, you should take this change into account. If you don't spend the entire amount because you didn't get a prescription for over-the-counter medicine you figured into your reimbursements, then you'll most likely lose the money left at the end of the plan year, or pay a penalty depending on the type of account.

Find out more about changes to workplace health plans at www.IRS.gov.

Information worth knowing.

