

Subject: Open Enrollment for 2014 Medical Flexible Spending Accounts

To: [PIFLEXI@NBER.ORG](mailto:PIFLEXI@NBER.ORG)

The NBER offers a Medical Reimbursement Account to our Research Associates, Faculty Research Fellows, Research Economists and Research Affiliates. **To be eligible you must receive salary payments - income that is reported on a W-2 form, not on a 1099 - from the NBER during the plan year.** Please note that honorarium payments, which are reported as miscellaneous income, are not salary payments.

A pdf of this memo is available [here](#).

The plan description can be downloaded [here](#).

The enrollment form can be downloaded [here](#).

We are holding an open enrollment period from November 15 - December 15, 2013. If you are interested in participating in this plan, please complete the Medical Reimbursement Account Enrollment form and return it to the NBER Human Resources office no later than Monday, December 16, 2013.

If you enroll, contributions to your Medical Reimbursement Account will be deducted from your pre-tax earnings each pay period in 2014. After you incur eligible expenses, you may submit claims for reimbursement from your account. By setting aside money for these expenses before taxes, you may be able to pay less in federal, state and Social Security taxes. **The tax law limits the amount you may contribute to up to \$2,500 per year to this account.** There is no limit on the total contributions that an individual may make to Medical Reimbursement Accounts, so even if you already participate in a similar program at your university, you may also participate in the NBER plan.

You will be eligible to receive reimbursement for expenses incurred between January 1, 2014 and March 31, 2015. These expenses can be your own or for another member of your family - as long as their expenses would qualify as deductions on your federal tax return.

Any funds remaining in the account will be forfeited if not used for reimbursement of benefits incurred between January 1, 2014 and March 15, 2015. The account will be held open for submission of expenses until April 15, 2015. If you have incurred expenses, but have not submitted receipts for reimbursement by April 15th, be sure to request an extension from the plan administrator by April 15, 2015.

Please estimate carefully and do not set aside more than the total of your anticipated expenses.

Eligible Expenses generally include medical and dental expenses for you as well as your spouse and your dependent children. Examples of eligible expenses include:

- \* Co-payments, deductibles and other expenses that are not paid by your medical and/or dental insurance

- \* Expenses in excess of the annual or lifetime limits under your medical and dental coverage

- \* Prescription drugs not paid for under any medical plan

- \* Hearing aids and batteries

- \* Vision care expenses such as eye glasses, contact lenses, and contact lens cleaning solution

- \* Laser vision or eye correction surgery

- \* Weight loss programs undertaken at your physician's direction to treat a specific disease.

Expenses that may NOT be reimbursed from a Medical Reimbursement Account include:

- \* Medical and dental insurance premiums
- \* Premiums paid for other insurance, including health and dental continuation coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). Although premiums paid for other insurance may continue to be claimed on your federal income tax return, they are not eligible for reimbursement.
- \* Cosmetic surgery
- \* Equipment that is not medically necessary
- \* Health club dues or the cost of a personal trainer
- \* Teeth whitening or bleaching
- \* Tattoo removal
- \* Contact lens insurance contracts
- \* Safety eyeglasses

This list is not exhaustive. If you have specific questions, please refer to IRS Publication 502 or contact me at (617) 868-3900 x 484 or [birnbaum@nber.org](mailto:birnbaum@nber.org).

As a result of health care reform legislation effective January 1, 2011, we are only allowed to reimburse the cost of over-the-counter medicines or drugs if they are purchased with a prescription. This new rule does not apply to reimbursements for the cost of insulin, which will continue to be permitted, even if purchased without a prescription. The prohibition will not affect over-the-counter purchases of medical devices, bandages, crutches, diagnostic tests, or eyeglasses and contact lenses.

Receipts for expenses to be reimbursed through a Medical Reimbursement Account should be submitted to Diane Birnbaum, NBER Human Resources, Rm. 411, 1050 Massachusetts Avenue, Cambridge, MA 02138-5398 or via secure email at <http://www.nber.org/sendthisfile/birnbaum>. A copy of our reimbursement form is attached to this email. All claims must be accompanied by legible and clearly marked receipts. The account will be held open for submission of expenses until April 15, 2015. If you have incurred expenses, but have not submitted receipts for reimbursement by April 15th, be sure to request an extension from the plan administrator by April 15, 2015.

Thank you.

Attached: Medical\_Reimbursement\_Account\_Memo\_PI\_2014.pdf  
MedicalReimbursement\_enrollment\_form\_2014\_PI\_version.pdf  
Flexi\_Fringe\_Reimbursement\_Request\_2014.xlsx