

TabenFlex CAPITAL EXPENSE WORKSHEET

You can include medical expenses for special equipment installed in a home, or for home improvements, if their main purpose is medical care for you, your spouse or your dependent. The cost of permanent improvements that increase the value of your property may be partly included as a medical expense. The cost of the improvement is reduced by the increase in the value of your property. The difference is a medical expense. If the value of your property is not increased by the improvement, the entire cost is included as a medical expense.

Certain improvements made to accommodate a home to your disabled condition, or that of your spouse or your dependents that live with you, do not usually increase the value of the home and the cost can be included in full as medical expenses.

For more information on which types of improvements are eligible please see Publication 502 by visiting www.irs.gov

Only reasonable costs to accommodate a home to a disabled condition are considered medical care. Additional costs for personal motives, such as for architectural or aesthetic reasons, are not medical expenses.

*=Required Fields

Participant Information

Last Name, First Name, MI (Please Print)	Employer	Social Security Number or Employee ID (EID) as appropriate
Street Address	City, State, Zip	

Capital Expense Worksheet

Use the worksheet below to calculate the amount of capital expense to include in your medical expenses. For help, refer to the Worksheet Example at the bottom of this page.

1.	Enter the amount you paid for the home improvement	
2.	Enter the value of your home immediately after the improvement*	
3.	Enter the value of your home immediately before the improvement*	
4.	Subtract line 3 from line 2. This is the increase in the value of your home due to home improvement. <ul style="list-style-type: none"> ▪ If line 4 is more than, or equal to, line 1, you have no medical expenses due to the home improvement. Stop here. ▪ If line 4 is less than, or equal to, line 1, go to line 5. 	
5.	Subtract line 4 from line 1. These are your eligible medical expenses due to the home improvement.	

Return form to: The Taben Group
C/O Surency Life & Health
PO Box 789773
Wichita, KS 67278-9773
www.taben.com
Customer Service: 855-826-8692
Fax: 316-462-3392

*Participant Signature _____

*Date _____



Capital Expense Worksheet—Illustrated

You have a heart ailment. Your doctor recommends you install an elevator in your home so that you will not have to climb stairs. The elevator costs \$8,000. A professional appraisal shows that the elevator increases the value of your home by \$4,400. You determine your eligible medical expenses as shown below

1.	Enter the amount you paid for the home improvement	\$8,000
2.	Enter the value of your home immediately after the improvement*	\$124,400
3.	Enter the value of your home immediately before the improvement*	\$120,000
4.	Subtract line 3 from line 2. This is the increase in the value of your home due to home improvement. ▪ If line 4 is more than, or equal to, line 1, you have no medical expenses due to the home improvement. Stop here. ▪ If line 4 is less than, or equal to, line 1, go to line 5.	\$4,400
5.	Subtract line 4 from line 1. These are your eligible medical expenses due to the home improvement.	\$3,600

* A professional appraisal must be used to determine the before and after value of your home.

Note: You will need to submit a signed Letter of Medical Necessity with this worksheet when submitting your claim.

Operation and Upkeep: Amounts you pay for operation and upkeep of a capital asset qualify as medical expenses, as long as the main reason for them is medical care. This rule applies even if none, or only part, of the original cost of the capital asset qualified as a medical expense.

Improvements to property rented by a person with a disability: Amounts paid to buy and install special plumbing fixtures for a person with a disability, mainly for medical reasons in a rented house are medical expenses.

Example: John has arthritis and a heart condition. He cannot climb stairs or get into a bathtub. On his doctor's advice, he installs a bathroom with a shower stall on the first floor of his two-story rented house. The landlord did not pay any of the cost of buying and installing the special plumbing and did not lower the rent. John can include in medical expenses the entire amount he paid.

Steps to File a Claim for Capital Expenses:

Step 1: Obtain a professional appraisal to determine the before and after value of your home and send in with claim.

Step 2: Complete this Capital Expense worksheet. If line 5 results in a positive amount please proceed to Step 3.

Step 3: Complete a FSA/HRA Claim Form and sign. Utilize the amount from line 5 fill in the 'Claim Amount'.

Step 4: Provide proof (receipt) of the cost of improvement.

Step 4: Print the Letter of Medical Necessity and work with your physician to complete.

Step 5: Submit all forms together to the Taben Group.

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