

Sample Over-the-Counter Medications

On September 3, 2003, the IRS reversed a long-held position in ruling that the cost of over-the-counter medications may be reimbursed under a Section 125 plan.

As is the case with all medications, prescriptions or non-prescription, reimbursement will be permitted only if it is clear that the over-the-counter item has been purchased to treat or alleviate the symptoms of an illness or injury rather than to promote general health. Since the only reasonably foreseeable use for items such as antacids, allergy medicines, pain relievers and cold medicines is to treat a medical condition, it will not be necessary for a flex plan participant to relate his or her purchase of such an item to a specific illness or injury. However, such proof will be required if the over-the-counter item is a vitamin or other dietary supplement that may be used to maintain health as well as to alleviate a medical condition.

Expenses that can now be reimbursed in the wake of the IRS ruling include (but are not limited to):

- Cold medicines, tablets, syrups, cough drops and lozenges
- Analgesics, fever reducers, pain reducers like aspirin, ibuprofen, Tylenol
- Antacids and heartburn relief, Alka-Seltzer, Mylanta, Milk of Magnesia
- Stomach and digestive relief, Pepto-Bismol, Imodium
- Laxatives
- Eye drops and lubricants
- Motion sickness patches and pills
- First aid creams
- Arthritis pain relieving creams
- Antibiotic ointments
- Anti-itch creams and hydrocortisone creams
- Allergy medication, nasal sprays
- Athlete's foot treatment, anti-fungal creams
- Wart removal medication
- Diabetes supplies, glucose monitoring
- Urinary pain relief medication
- Smoking cessation, patches, gum
- Feminine care related to treated of vaginal infections
- Tooth and mouth pain relief medication
- Shampoo for treatment of lice, psoriasis
- Incontinence products, Depends and Serenity pads
- Pregnancy tests, condoms
- Diaper rash ointment
- Vitamins (if used to treat a medical condition)
- Dietary aids or nutritional supplements (if used to treat a medical condition)
- Cosmetics (if used to treat a medical condition)
- Toothpaste and toothbrushes (if used to treat a medical condition)
- Hair products (if used to treat a medical condition)