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## Are You Maximizing Your Medical Deductions?

Unreimbursed medical costs can only be claimed to the extent they exceed 7.5% of adjusted gross income. In addition to hospital and doctor bills, the following expenses should also be taken into account:

- 1) **Health insurance premiums.** This could total several thousand dollars per year. If your employer is deducting a portion of health insurance coverage from wages, it's deductible, unless it's through a Cafeteria 125 plan. Long term care coverage, within certain limitations, is also deductible.
- 2) **Transportation.** In addition to 16.5 cents per mile to go for medical treatment, parking, tolls, taxi fares, and public transportation is also deductible.
- 3) **Therapists, nurses, etc.** As long as these services relate to a medical condition, they too are deductible. However, a general physical fitness counselor for "toning up" would not be deductible. Long-term care services for the chronically ill may also qualify as medical expenses.
- 4) **Nursing homes and/or Assisted Living Facilities (ALF).** If the principal reason for being in a nursing home is medical, then amounts paid are fully deductible. However, if other services are provided, then only the amounts paid attributable to medical care are deductible; therefore, ALF fees may only be an estimated 35-40% deductible.
- 5) **Eyeglasses, hearing aids, dental work, psychotherapy & prescription drugs** would also qualify as medical deductions. However, cosmetic surgery does not qualify. Nonprescription items such as aspirin and vitamins would not qualify and no longer qualify for reimbursement in a Cafeteria 125 plan, unless prescribed by a doctor.
- 6) **Smoking-cessation programs.** Prescribed drugs to alleviate nicotine withdrawal are deductible as well as participation in a "stop smoking" program; however, non-prescription treatment (gum and patches) would not be deductible.
- 7) **Weight-loss programs.** If the program is undertaken as a disease treatment, the cost is deductible. This could be for an obesity diagnosis, hypertension or heart disease. If the doctor directs the weight loss, you should get a written diagnosis for such treatment. Program and meeting costs would be deductible; however, the cost of low-calorie food is not.
- 8) **Dependents and others.** If your spouse and/or children are covered under your insurance plan, their expenses would be deductible also. You may be able to deduct medical costs for an elderly parent or grandparent, even if they don't qualify as a dependent.

If you have any questions regarding the medical deduction, please call us.

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