

# Medical Flexible Spending Account Capital Expense Form

Office of the State Comptroller  
Healthcare Policy & Benefit Services Division

CO-1309 Revised 9/2018

EMPLOYEE NAME	SOCIAL SECURITY NUMBER	EMPLOYEE NUMBER	DAYTIME PHONE NO
	- -		
HOME ADDRESS (if not on file)		EMAIL ADDRESS (if not on file)	
( <input type="checkbox"/> Check if new address)			
PATIENT NAME		RELATIONSHIP TO EMPLOYEE	

### CAPITAL EXPENSE

This section must be completed if you are claiming a capital expense for yourself, your spouse or your tax-qualified dependent. It must accompany a Medical Necessity Form Letter.

Pursuant to IRS Publication 502: you can include in medical expenses amounts you pay for special equipment installed in a home, or for 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 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 your home and the cost can be included in full as medical expenses. These improvements include, but are not limited to, the following items:

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| <ul style="list-style-type: none"> <li><input type="checkbox"/> Constructing entrance or exit ramps for your home.</li> <li><input type="checkbox"/> Widening doorways at entrances or exits to your home.</li> <li><input type="checkbox"/> Widening or otherwise modifying hallways and interior doorways.</li> <li><input type="checkbox"/> Installing railings, support bars, or other modifications to bathrooms.</li> <li><input type="checkbox"/> Lowering or modifying kitchen cabinets and equipment.</li> <li><input type="checkbox"/> Moving or modifying electrical outlets and fixtures.</li> <li><input type="checkbox"/> Installing porch lifts and other forms of lifts (but elevators generally add value to the house).</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Modifying stairways.</li> <li><input type="checkbox"/> Modifying fire alarms, smoke detectors, and other warning systems.</li> <li><input type="checkbox"/> Adding handrails or grab bars anywhere (whether or not in bathrooms).</li> <li><input type="checkbox"/> Modifying areas in front of entrance and exit doorways.</li> <li><input type="checkbox"/> Modifying hardware on doors.</li> <li><input type="checkbox"/> Grading the ground to provide access to the residence.</li> </ul> |
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### CAPITAL EXPENSE WORKSHEET

1. Enter the amount you paid for the home improvement:	\$ _____
2. Enter the value of your home immediately after your home improvement:	\$ _____
3. Enter the value of your home immediately before your home improvement:	\$ _____
4. Subtract line 3 from line 2. This is the increase in the value of your home due to the improvement:	\$ _____
<p>I If line 4 is more than or equal to line 1, you have no medical expenses due to the home improvement; stop here.</p> <p>I If line 4 is less than line 1, go to line 5.</p>	
5. Subtract line 4 from line 1. These are your medical expenses due to the home improvement:	\$ _____

I certify that the above information is a true and accurate representation of expenses for special equipment installed in a home or home improvement whose main purpose is medical care for myself, my spouse or my tax-qualified dependent.

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

CAPITAL EXPENSE WORKSHEET EXAMPLE

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

**Example:** You have a heart ailment. On your doctor's advice, you install an elevator in your home so that you will not have to climb stairs. The elevator costs \$8,000. An appraisal shows that the elevator increases the value of your home by \$4,400. You figure your medical expense as shown in the filled-in example above.

**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 care expense.

*Example:* If, in the previous example, the elevator increased the value of your home by \$8,000, you would have no medical expense for the cost of the elevator. However, the cost of electricity to operate the elevator and any costs to maintain it are medical expenses as long as the medical reason for the elevator exists.

**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 home plumbing and did not lower the rent. John can include in medical expenses the entire amount he paid.

KEEP A COPY FOR YOUR RECORDS

MAIL OR FAX COMPLETED FORM TO: Progressive Benefit Solutions, LLC (PBS), 14 Business Park Drive #8, Branford, CT 06405  
 CLAIMS FAX: (203) 974-4890 Phone: 1-866-906-8023 Local # (203) 985-1712