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from the desk of
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2011 Changes for Over-the-Counter Product Purchases

The recently enacted Patient Protection and Affordable Care Act of 2010 has revised the rules for the purchase of Over-the-Counter (OTC) products using your *Beneco Smart Return Account (SRA)* pre-tax funds.

The IRS currently allows OTC products to be reimbursed using your SRA dollars. However, **as of January 1, 2011:**

1.) SRA funds can **no longer be used to purchase OTC medicine and drugs unless a medicine or drug is prescribed.** A “prescription” is defined as a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

The OTC products that are affected include items in the following categories:

- Acid Controllers
- Allergy & Sinus
- Antibiotic Products
- Anti-diarrheals
- Anti-Gas
- Anti-Itch & Insect Bite
- Anti-Parasitic Treatments
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- Anti-Parasitic Treatments
- Anti-Parasitic Treatments
- Baby Rash Ointments/Creams
- Cold Sore Remedies
- Cough, Cold & Flu
- Digestive aids
- Feminine Anti-Fungal/Itch
- Hemorrhoid Preps
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aids & Sedatives
- Stomach Remedies

2.) If you have a prescription for an OTC product, you must pay out of pocket at point of sale and then submit a manual claim requesting reimbursement. You cannot use your **Beneco Smart Choice Visa Card** for this purchase.

3.) You can continue to use your SRA funds to purchase eligible OTC products that are not considered a medicine or drug (e.g. bandages, splints, contact lens solution etc.) Please note that **insulin remains an eligible expense** with or without a prescription. Your **Beneco Smart Choice Visa Card** can continue to be use for these purchases.

If you have questions about this change or need more information, please contact your Plan Administrator using the phone listed on the back of your Smart Choice Visa Card. To view your card activity, log on to www.mybenny.com