

Deduct All Your Medical Bills as a Business Expense!!!

A Self Employed Person may hire their spouse/partner and subsequently deduct 100% of their joint & family medical expenses as a business deduction.

If you pay your spouse/partner a nominal salary (\$200-300/month) you can reimburse them for qualified health insurance premiums and out-of-pocket medical expenses.

Medical reimbursements to an "employee" become business deductions on your Schedule C saving you not only federal and state income tax but self employment tax as well. In most cases these three taxes total up to about 50%!!!

What do you need to qualify for this plan?

- Be Self Employed (Sole Proprietor or Corporation)
- Legally Hire Your Spouse / Partner
- Pay Your Spouse / Partner Regular Wages

What Expenses are Deductible?

- Family medical insurance premiums
- Out-of-Pocket medical expenses (co-pays, deductibles, etc.)
- Prescriptions
- Dental, Orthodontia, and Vision Care
- Qualified long term care insurance (Within IRS Guidelines)
- Term life ins. premiums for employees (Limited by law)
- Disability insurance premiums for employees
- Elective Surgery (Laser Eye Surgery, etc...)

**Plan Example
Jack and Jill Taxpayer**

Jack's W-2 Salary: \$50,000.00
Jill's NET Realtor Income: \$80,000.00
Health Insurance Premiums: \$4,800
Medical Expenses \$3,200
Total Yearly Medical: \$8,000

By reimbursing her employee (Jack) for the total family medical expenses Jill is able to deduct \$8000 as a business expense on her Schedule C.

Their tax savings will be \$3760.
(46.6% of Medical Expenses)

Without a medical reimbursement plan, Jack and Jill wouldn't be able to deduct their expenses even as an itemized deduction. To itemize medical expenses they are subject to 7.5% of a taxpayer's adjusted gross income. In their situation, in order to deduct these expenses as an itemized deduction they would have to accumulate over \$9,300 in expenses before they could deduct even one dollar!!!

For more information or to set up a medical reimbursement plan please contact:

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