

Organize Your Medical Receipts – Reduce Your Tax Preparation Fee

If your tax return preparer needs to sort and list your medical receipts, it takes a lot of time. If your preparer charges based on time, this is a costly exercise – so do it yourself. Charts are attached to show you how to summarize your receipts. See my article “Medical Expenses and Taxes – What Can You Claim?” on my web site. This article is based on Canadian taxes, but the organizing principles work elsewhere too.

1. Medical insurance premiums from work – provide a receipt or a pay stub showing withholdings for medical, vision and dental coverage
2. Receipts (for insurance reimbursements, continue reading):
 - Sort receipts by person first – for prescriptions, you only need the receipt showing the drug, the date of payment, etc., not the attached information. A summary computer printout from the pharmacist is the easiest method to providing prescription information. Some receipts may be for two people – break the invoice down by patient. Manually numbering the receipts and referencing each receipt on your list will make it easy to follow – as in the Medical Receipt Work Chart below
 - Then, sort each person’s receipts by type of medical cost, e.g. prescriptions, dental, vision, etc. (Note: it is not essential to sort by type, but often makes the verification/review process easier.)
 - Next, sort each category by date – it is payment date that is important.

Where you have receipts and insurance claim statements, attach receipts to the appropriate insurance claim statement to avoid accidental duplication. Where the insurance claim is for more than one person, break down the total claim and the amount refunded by person – you do not need to allocate it by type of expenses.

Where you have insurance claim statements but no receipts (because they were sent to the insurance company), organize the statements by date, and summarize the net amount paid by each patient.

3. For medical travel, see the Medical Travel Work Chart below.
 - (a) For travel over 40 kilometers (one-way) for medical treatment not available locally:
 - Provide a list of trips, and be prepared to obtain a letter from the doctor's office confirming your appointments.
 - Provide your destination, and number of kilometers travelled.
 - (b) For travel over 80 kilometers (one-way) for medical treatment not available locally:
 - Provide a list of trips, and be prepared to obtain a confirmation letter from the doctor's office.
 - Provide your destination, and number of kilometers that you travelled.
 - Provide your air fare, bridge toll, bus fare, parking receipts, etc. related to your transportation
 - Provide your hotel receipts.
 - Provide the number of meals (you are allowed a maximum of 3 per day) for you.
 - If you were required to have a travel companion because of your condition, be prepared to obtain a letter from your doctor confirming this, as the Canada Revenue Agency may request it. In this case, also provide the number of meals for this companion, and other separate expenses, if applicable, such as hotel receipts.
4. For community care homes (assisted living / seniors' homes), provide invoices and a letter showing the allocation of expenses from the home if the patient is disabled or infirm. For nursing home and long-term care manors, only the invoices are required.

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Medical Travel Work Chart

Doctor / Hospital Visited & Nature of Medical Issue	No. of km. Return	Hotel costs	Airfare, bus or other costs	Bridge Tolls	Highway tolls	Ferry Tolls	Parking		Travel companion required?	Number of Meals (you)	Number of Meals (companion)	Other costs / comments	
Keep appointment record or other proof		Receipts required											
Example - Dr. Jones - Heart Specialist	650	\$ 85.00	\$ -	\$ 44.50	\$ 8.00	\$ -	\$ 15.00		Yes \ <input checked="" type="radio"/> No	5			
									Yes \ No				
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