

Consequences of Not Having a Reimbursement Plan

1. Unreimbursed professional expenses are an itemized deduction on schedule A and are subject to 2% of AGI (2% of adjusted gross income.)
2. Higher change of audit because of higher miscellaneous deductions.
3. Must pay state tax (4.35%)
4. Certain deductions and credits are phased out as income goes up.
 - Itemized Deduction
 - Personal Exemptions
 - Savers Credit
 - Education Credits