

Know Your Flexible Spending Account (FSA) Eligible and Ineligible Expenses

Updated:
September 30, 2011

Maximize the Value of Your Flexible Spending Accounts

Take a look at the following lists for a better understanding of what is and isn't eligible.



Note:

These lists are not meant to be all-inclusive, as other expenses not specifically mentioned may or may not qualify.

These items are subject to IRS guidelines and may change at any time.

Please contact Benesyst for specific questions on FSAs and expense eligibility.

Eligible Expenses - Healthcare FSA

DENTAL

- ◆ Dental X-Rays
- ◆ Dentures and Bridges
- ◆ Exams and Teeth Cleaning
- ◆ Extractions and Fillings
- ◆ Oral Surgery
- ◆ Orthodontia and Braces
- ◆ Periodontal Services

EYES

- ◆ Eye Exams
- ◆ Eyeglasses and Contact Lenses
- ◆ Laser Eye Surgeries
- ◆ Prescription Sunglasses
- ◆ Radial Keratotomy/LASIK

HEARING

- ◆ Hearing Devices and Batteries
- ◆ Hearing Examinations

LAB EXAMS/TESTS

- ◆ Blood Tests and Metabolism Tests
- ◆ Body Scans
- ◆ Cardiographs
- ◆ Laboratory Fees
- ◆ Urine and Stool Analyses
- ◆ X-Rays

MEDICAL EQUIPMENT/SUPPLIES

- ◆ Air Purification Equipment*
- ◆ Arches and Orthotic Inserts
- ◆ Breast Pumps
- ◆ Contraceptive Devices
- ◆ Crutches, Walkers & Wheel Chairs

- ◆ Exercise Equipment*
- ◆ Hospital Beds*
- ◆ Mattresses*
- ◆ Medic Alert Bracelet or Necklace
- ◆ Nebulizers
- ◆ Orthopedic Shoes*
- ◆ Oxygen*
- ◆ Post-Mastectomy Clothing
- ◆ Prosthesis
- ◆ Syringes
- ◆ Wigs*

MEDICAL SERVICES

- ◆ Acupuncture
- ◆ Alcohol and Drug/Substance Abuse (inpatient and outpatient)
- ◆ Ambulance
- ◆ Fertility Enhancement and Treatment
- ◆ Hospital Services
- ◆ Immunizations
- ◆ In Vitro Fertilization
- ◆ Physical Examination (not employment-related)
- ◆ Reconstructive Surgery (due to a congenital defect or accident)
- ◆ Service Animals
- ◆ Sterilization/Sterilization Reversal
- ◆ Transplants (including organ donor)
- ◆ Transportation*
- ◆ Vaccinations and Immunizations

MEDICATION

- ◆ Birth Control
- ◆ Insulin

- ◆ Prescription Drugs
- ◆ Weight Loss Drugs*

OBSTETRICS

- ◆ Doulas*
- ◆ Lamaze Class
- ◆ Lactation Supplies
- ◆ Midwife Expenses
- ◆ OB/GYN Exams
- ◆ OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- ◆ Pre- and Postnatal Treatments

PRACTITIONERS

- ◆ Allergist
- ◆ Chiropractor
- ◆ Christian Science Practitioner
- ◆ Dermatologist
- ◆ Homeopath or Naturopath*
- ◆ Optometrist
- ◆ Osteopath
- ◆ Physician
- ◆ Psychiatrist or Psychologist

THERAPY

- ◆ Alcohol and Drug Addiction
- ◆ Counseling (not marital or career)*
- ◆ Hypnosis*
- ◆ Massage*
- ◆ Occupational
- ◆ Physical
- ◆ Smoking Cessation Program
- ◆ Speech
- ◆ Weight Loss Programs*

Note: Expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Letter of Medical Necessity from your healthcare provider to qualify for reimbursement and may require further clarification.

Contact Us

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Eligible Expenses - Dependent Daycare FSA

- ◆ After school care
- ◆ Au pair
- ◆ Baby-sitter (*not a spouse or dependent*)
- ◆ Daycare
- ◆ Elder care (*dependent adult expenses that are not associated with medical expenses. The dependent must live in your residence for at least eight hours each day*)

- ◆ Extended day programs
- ◆ Nanny Fees
- ◆ Nursery school/Pre-kindergarten
- ◆ Registration fees for care (*qualifies if fee must be paid in order to obtain care*)
- ◆ Relative of participant (*unless a dependent for whom the participant or spouse can claim an exemption, or is a child or step-child of the participant under age 19*)

- ◆ Sick-child center
- ◆ Summer day camp
- ◆ Taxes (*FICA and FUTA taxes paid to a daycare provider*)

Note: The Dependent Daycare FSA only covers expenses if you pay for the care of a dependent in order to work. If you are married, both you and your spouse must be employed. Maximum annual of \$5,000 per married couple (or single filing head of household). Maximum for single, non-head of household is \$2,500.



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The IRS does **not** allow the following expenses to be reimbursed under Healthcare FSAs (as they are not for a specific ailment) or Dependent Daycare FSAs.

Common Ineligible Expenses

Common Ineligible Healthcare Expenses

- ◆ Cosmetic Surgery/Procedures
- ◆ Exercise/Fitness Programs*
- ◆ Diaper Service
- ◆ Electrolysis
- ◆ Personal Trainer
- ◆ Hair Loss Medication / Transplant
- ◆ Health Club Dues*
- ◆ Insurance Premiums and Interest

- ◆ Long Term Care Premiums
- ◆ Marriage Counseling
- ◆ Maternity Clothes
- ◆ Sunscreen
- ◆ Swimming Lessons
- ◆ Teeth Bleaching or Whitening
- ◆ Vitamins or supplements*

Common Ineligible Dependent Daycare Expenses

- ◆ After School Enrichment Classes

- ◆ Nursing Home
- ◆ Educational Expenses - *Kindergarten or higher grades are not eligible for reimbursement*
- ◆ Diaper Services
- ◆ Meals, Snacks or Beverages
- ◆ Volunteer Work
- ◆ Overnight Camp
- ◆ Field Trips
- ◆ Enrichment Classes

Note: Expenses marked with an asterisk (*) are “potentially eligible expenses” that require a Letter of Medical Necessity from your healthcare provider to qualify for reimbursement.

Due to the *Patient Protection and Affordable Care Act* (PPACA), starting January 1, 2011 over-the-counter (OTC) drugs and medicines will not be eligible for reimbursement from your FSA without a prescription. OTC items not considered to be a drug or medicine will remain eligible.

Over-the-Counter (OTC) Items

Product categories in bold, common examples in regular type

OTC items that can be purchased with the Benesyst Benny™ and without a prescription

- ◆ **Contraceptives**
Unmedicated condoms
- ◆ **Denture Adhesives, Repair and Cleansers**
PoliGrip, Benzodent, Efferdent
- ◆ **Diabetes Testing and Aids**
Insulin, Ascencia, One Touch, Diabetic Tussin, Insulin syringes; glucose products
- ◆ **Diagnostic Products**
Thermometers, blood pressure monitors, cholesterol monitoring
- ◆ **Ear Care**
Unmedicated ear drops, syringes, ear wax removal
- ◆ **Elastics/Athletic Treatments**
ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic support, rib belts
- ◆ **Eye Care**
Contact Lens Care (but not eye drops e.g. Visine, Refresh Tears, etc.)
- ◆ **Family Planning**
Pregnancy and ovulation kits
- ◆ **First Aid Dressings and Supplies**
Band Aid, 3M Nexcare, non-sport tapes

- ◆ **Foot Care Treatments**
Unmedicated corn and callous treatments (e.g. callous cushions), devices, therapeutic insoles
- ◆ **Hearing Aid/Medical Batteries**
- ◆ **Home Healthcare (limited segments)**
Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheel chairs
- ◆ **Incontinence Products**
Attends, Depend, GoodNites for juvenile incontinence, Prevail
- ◆ **Prenatal Vitamins**
Stuart Prenatal, Nature's Bounty Prenatal Vitamins
- ◆ **Reading Glasses and Maintenance Accessories**

Ineligible OTC Medicine and Drug categories — unless prescribed in accordance with state laws.**

- ◆ Acid controllers
- ◆ Acne medications
- ◆ Allergy & sinus
- ◆ Antifungal (Foot)
- ◆ Antiparasitic treatments

- ◆ **Antiseptics & wound cleansers**
- ◆ **Anti-Diarrheals / Anti-gas**
- ◆ **Anti-itch & insect bite**
- ◆ **Baby Electrolytes / Dehydrations**
- ◆ **Baby rash ointments & creams**
- ◆ **Baby teething pain**
- ◆ **Cold sore remedies**
- ◆ **Contraceptives**
- ◆ **Cough, cold & flu**
- ◆ **Denture pain relief**
- ◆ **Digestive aids**
- ◆ **Ear care**
- ◆ **Eye care**
- ◆ **Feminine antifungal & anti-itch**
- ◆ **Fiber laxatives (bulk forming)**
- ◆ **First aid burn remedies**
- ◆ **Foot care treatment**
- ◆ **Hemorrhoidal preps**
- ◆ **Homeopathic remedies**
- ◆ **Incontinence treatment products**
- ◆ **Laxatives (non-fiber)**
- ◆ **Medicated nasal sprays & inhalers**
- ◆ **Medicated respiratory products**
- ◆ **Motion sickness**
- ◆ **Oral remedies or treatments**
- ◆ **Pain relief (includes aspirin)**
- ◆ **Skin treatments**
- ◆ **Sleep aids & sedatives**
- ◆ **Smoking deterrents**
- ◆ **Stomach remedies**

** Per IRS Notice 2011-5 (issued 12/23/2010) you can use your **Benesyst Benny™ Benefits Card** for any Rx prescribed by a Doctor (in accordance with state laws) and filled by a Pharmacist, even if that drug is also available on an OTC basis.