



Health Savings Account (HSA) Eligible Expense Guide

Qualified Medical Expenses

HSA-qualified medical expenses are defined by IRS Code, Section 213(d) and include amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease for the purpose of affecting any structure or function of the body.

- Acupuncture
 - Alcoholism treatment
 - Ambulance service
 - Annual physical examination
 - Artificial limb
 - Artificial teeth
 - Body scan
 - Braille books and magazines (partial cost)
 - Breast reconstruction surgery following a mastectomy
 - Capital expenses for special equipment installed in home for main purpose of medical care (ex: support bars, exit ramps, lowering of cabinets)
 - Car special equipment for disabilities
 - Chiropractor
 - Christian Science practitioner
 - COBRA premiums
 - Contact lenses and supplies
 - Dental treatments (i.e., cleanings, fluoride treatments, X-rays, fillings, extractions)
 - Dentures
 - Diagnostic devices (i.e., blood sugar test kit)
 - Drug addiction treatment
 - Doctor's visits
 - Eye exam
 - Eyeglasses
 - Eye surgery (including laser vision correction surgery)
 - Health plan premiums during a period in which you are receiving government unemployment compensation
 - Hospital services
 - Laboratory fees
 - Long-term care insurance premiums
 - Medicare Part A, B, C, or D
 - Nursing home (non-custodial)
 - Nursing services
 - Operations
 - Optometrist
 - Orthodontia (braces)
 - Over-the-counter medicines and supplies with prescription (see next page for details)
 - Oxygen and equipment
 - Pregnancy test kit
 - Pre-natal vitamins
 - Prescription medication
 - Psychiatric care
 - Psychologist special home for intellectually and developmentally disabled
 - Special education
 - Smoking cessation programs
 - Telephone and television for hearing impaired
 - Therapy
 - Transplant (i.e., heart, kidney)
 - Transportation for medical care
 - Vasectomy and sterilization
 - Wheelchair and other medical supplies
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Insurance Premiums

You may use your HSA to pay for:

- Eligible long-term care
- COBRA continuation coverage
- Medicare premiums and out-of-pocket expenses for Part A, Part B, Part C and Part D

Non-Qualified Expenses**

Expenses for items that are merely beneficial to the general health of an individual are not considered qualified expenses. If you use your HSA to pay for expenses that are not qualified you will have to pay income tax and a 20% penalty on the non-qualified purchase amount. Non-qualified expenses include:

- Childcare for normal, healthy baby
- Controlled substances that violate federal law
- Cosmetic dentistry
- Cosmetic surgery
- Dancing lessons
- Electrolysis
- Funeral expenses
- Hair transplant
- Health club dues
- Household help
- Late charges
- Maternity clothes
- Nutritional supplements and vitamins
- OTC medications (without a prescription)
- Swimming lessons
- Teeth whitening
- Vacation
- Veterinary fees

Documentation of qualified medical expenses

The IRS requires that you keep itemized receipts to document your qualified withdrawals. Those receipts must include the date of service and the type of expense. Bankcard statements and estimates of expenses are not permitted.

Whose expenses are qualified?

Your qualified tax-free HSA* withdrawals may be for expenses incurred by you, your spouse or your eligible dependents (Section 152 of the federal tax code), regardless of whether or not they are covered under your health plan.

When are expenses qualified?

Your expenses are qualified when they are incurred after your HSA is established. Then, even if you lose eligibility to make contributions to your HSA, you may still spend the money you have accrued in your HSA to pay for qualified medical expenses, tax-free.*

**All mention of taxes is made in reference to federal tax law. State taxes may vary, consult your tax adviser for details. **For additional details on what qualifies or doesn't qualify as a medical expense see IRS tax publication 502: Medical and Dental Expenses on the web at irs.gov/publications.*

This document provides an overview of WageWorks' HSA program and is not inclusive, nor a guarantee of eligibility or payment. Please see your company's plan documents for specifics regarding your plan. If any conflict arises between this document and your company's plan documents, the terms of your company's plan will apply.