



Employee Benefit Solutions to Attract & Retain Via LSAs, FSAs, HSAs, & HRAs



Agenda

- Types of Accounts / Arrangements
- Examples of Exceptions
 - Letter of Medical Necessity
- Lifestyle Spending Account (LSA) – Deep Dive
- Executive Medical Reimbursement Arrangements
- Questions

Types of Accounts / Arrangements

Type of Account	Flexibility	Funding Source	Tax Advantages	Contribution Limits	Use of Funds	Ability to Rollover	Eligibility
FSA	Medical &/or Childcare Expenses	EE Payroll Contributions	Pretax Contributions / Tax Exempt Benefits	\$3,200 in 2024 for FSA; \$5,000 for Dep FSA in 2024	Limited to Specific Expenses	Limited	Accessible to broader range of EEs
HSA	Health-Related Expenses	ER & EE Contributions	Pretax Contributions / Tax Exempt Benefits	Vary based on Age & HDHP Tier Elected: \$4,150 for EE Only & \$8,300 Fam in 2024 (\$1,000 Catch Up)	Limited to Specific Expenses	Yes	Requires enrollment in a HDHP
HRA	Medical Expenses	ER Only – As Incurred	Tax Exempt Benefits	N/A	Medical Expenses	N/A	Current Enrollment in Medical Plan
LSA	Physical, Emotional, Social, & Financial	ER Only – Predetermined Maximums	Federal Payroll Taxes Apply to Funds Used	N/A	Expenses Related to EE Well-Being	N/A	Accessible to broader range of EEs
Executive Medical Reimbursement	Health-Related Expenses	ER Only	Deductible to ER / Tax Exempt Benefits	Reimbursement or Truly Insured Based on Plan Design	OOP Health-Related Expenses	N/A	Typically, Select Group of Key Employees

Examples of Exceptions – Letter of Medical Necessity

- Air Purifier
- Baby Formula
- Birthing Classes
- Breast Reduction
- Counseling
- Diet Pills / Weight Loss Programs
- Exercise Equipment
- Fitness Trackers
- Fluoride Toothpaste & Rinses
- Gastric Bypass Surgery
- Health Clubs
- Homeopathic Medicines
- Nutritional Supplements / Vitamins
- Medical Devices & Supplies
- Personal Training / Yoga
- Massages / Theragun

Leading Experts Weigh In

- Know your people
- Go Beyond....
 - Social
 - Mental/Emotional
 - Financial
 - Career Well-being
- Focus on family

Lifestyle Spending Accounts

LSAs allow employers to better support their employees' health and well-being by giving them money to invest in ways relevant to their employees' particular interests or lifestyle.

72% of employees said having customized benefits increases their loyalty to employers.*

* Emerging Opportunities, Alegeus Technologies, LLC.

Lifestyle Spending Accounts

- Help retain & attract employees
- Employer funded, post-tax benefit
- Fully customizable by the employer
- Support employees' health & well-being
- Reduces administrative burden

While **37%** of employers currently offer LSAs **70%** are researching to add to their benefit lineup.*

*Alegeus Technologies, LLC.

Lifestyle Spending Accounts



Recreational



Fitness classes/
memberships



Auto maintenance



Work
attire/equipment



Nutrition
subscription



Financial Wellness

Average LSA
employer
contribution is **\$750**
per year.*

*Alegeus Technologies, LLC.

Examples of Eligible LSA Expenses

- Memberships
- Entertainment
- Utilities
- WiFi
- Nutritional supplements
- Fitness equipment
- Personal interests
- Retreats
- Personal development
- Non-medical counseling services
- Home office equipment
- Home improvement
- Yard maintenance
- Convenience services
- Home repair
- Auto maintenance
- Gaming
- Fitness classes, gym memberships
- Physical virtual weight loss memberships
- Fitness trackers
- Personal trainer/nutritionist
- Race registrations
- Financial memberships
- Mental health seminars and apps
- Massages
- Annual park pass
- Care Services
- Lessons
- Student loan reimbursement
- House cleaning
- Meal prep
- Pet care
- Work clothing
- Reading

Best Practices

- Plan document creation
 - Premium Only Plan document
 - Section 125 Plan document
 - ERISA WRAP document
- Compliance testing

113 million
Americans benefit
from consumer-
directed accounts.*

*Bureau of Labor Statistics

Questions?



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