

Know Your Benefits



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FSA Eligible Expenses Expanded

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law. In addition to providing direct financial assistance to Americans, the CARES Act repeals the Medicine Cabinet Tax provision of the Affordable Care Act (ACA), expanding the list of qualifying expenses that can be purchased with flexible spending accounts (FSAs).

Qualifying Medical Expenses and PPE

Under the CARES Act, the definition of a qualifying medical expense now includes certain over-the-counter (OTC) medications and products. The IRS also released Announcement 2021-7 which allows for amounts paid for personal protective equipment (PPE) to qualify as medical expenses under IRS Code Section 213(d)

Examples of expenses that are now eligible medical expenses under the CARES Act and Announcement 2021-7 include, but are not limited to, the following:

- Allergy medicine
- Analgesics (e.g., vaporizing rub)
- Anti-diarrhea medicine
- Anti-gas, Antacid
- Antihistamines
- Anti-inflammatory medication
- Aspirin
- Bandages
- Burn treatments, OTC
- Calamine lotion
- Cold and flu medicine
- Cold sore remedies
- Cold/hot packs
- Condoms
- Contact lens solutions/cleaners
- Cotton balls (sterile)
- Cough drops, cough suppressants
- Decongestants
- Diaper rash treatments
- Elastic wraps
- Expectorants
- Eye drops (nonmedicated)
- Feminine hygiene products
- Fiber laxatives
- First-aid kits
- Heating pads
- Hemorrhoid treatments
- Insect bite/sting medicine
- Medicated lip balm/cream

- Menstrual pain relievers
- Nicotine patches, gum and lozenges
- GermX Hand Sanitizer and Wipes
- OTC pain relievers
- Pregnancy test kits
- Prenatal vitamins
- Reading glasses
- Stomach remedies
- Sunburn treatments
- Sunscreen
- Thermometers
- Throat lozenges/cough drops
- N95 Face Mask
- KN95 Face Mask
- Disposable Face Mask
- 3M Daily Face Mask
- Purell Hand Sanitizer and Wipes
- Nexcare Hand Sanitizer and Wipes

Please note, this list is not all-encompassing. For more information on your medical spending account, please contact your plan administrator.

Source: www.irs.gov/publications/p502/ar02.html#en_US_publink1000178947 and www.congress.gov/bill/116th-congress/senate-bill/3548/text#toc-HC8C9461E6EB94BA89FCB4673D46FDC9F

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