

Distributions From an FSA

Generally, distributions from a health FSA must be paid only to reimburse you for qualified medical expenses you incurred during the period of coverage. You must be able to receive the maximum amount of reimbursement (the amount you have elected to contribute for the year) at any time during the coverage period, regardless of the amount you have actually contributed. The maximum amount you can receive tax free is the total amount you elected to contribute to the health FSA for the year.

You must provide the health FSA with a written statement from an independent third party stating that the medical expense has been incurred and the amount of the expense. You must also provide a written statement that the expense hasn't been paid or reimbursed under any other health plan coverage. The FSA can't make advance reimbursements of future or projected expenses.

Debit cards, credit cards, and stored value cards given to you by your employer can be used to reimburse participants in a health FSA. If the use of these cards meets certain substantiation methods, you may not have to provide additional information to the health FSA. For information on these methods, see Revenue Ruling 2003-43, 2003-21 I.R.B. 935, available at [IRS.gov/pub/irs-drop/rr-03-43.pdf](https://www.irs.gov/pub/irs-drop/rr-03-43.pdf) [PDF](#); Notice 2006-69, 2006-31 I.R.B. 107, available at [IRS.gov/irb/2006-31_IRB/ar10.html](https://www.irs.gov/irb/2006-31_IRB/ar10.html); and Notice 2007-2, 2007-2 I.R.B. 254, available at [IRS.gov/irb/2007-2_IRB/ar09.html](https://www.irs.gov/irb/2007-2_IRB/ar09.html).

Qualified medical expenses.

Qualified medical expenses are those specified in the plan that generally would qualify for the medical and dental expenses deduction. These are explained in Pub. 502.

Also, non-prescription medicines (other than insulin) are NOT considered qualified medical expenses for FSA purposes. A medicine or drug will be a qualified medical expense for FSA purposes only if the medicine or drug:

1. Requires a prescription,
2. Is available without a prescription (an over-the-counter medicine or drug) and you get a prescription for it, or
3. Is insulin.

Qualified medical expenses are those incurred by the following persons.

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return;
 - b. The person had gross income of \$4,200 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2019 return.
4. Your child under age 27 at the end of your tax year.

You cannot receive distributions from your FSA for the following expenses.

- Amounts paid for health insurance premiums.
- Amounts paid for long-term care coverage or expenses.
- Amounts that are covered under another health plan.