

**HEALTH SAVINGS ACCOUNTS (HSA)  
ELIGIBLE / INELIGIBLE EXPENSES  
2016**

Funds you withdraw from your Health Savings Account are tax-free when used to pay for qualified medical expenses as described in Section 213(d) of the Internal Revenue Service Tax Code. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness, including dental and vision. A list of these expenses is available on the IRS Web Site, [www.irs.gov](http://www.irs.gov) in IRS Publication 502, "Medical and Dental Expenses."

Any funds you withdraw for non-qualified medical expenses will be taxed at your income rate plus 20% tax penalty if you're under age 65.

The following list provides examples of eligible and ineligible medical expenses. This list is not all-inclusive. Remember the IRS may modify its list of eligible expenses from time to time. As always, consult your tax advisor should you require specific tax advice.

**Eligible medical expenses may include:**

Abortion	Founder's Fee
Acupuncture	Guide Dog or Other Service Animal
Alcoholism treatment	Health Institute
Ambulance services	Health Maintenance Organization (HMO)
Annual Physical Examination	Hearing Aids
Artificial Limb or prosthesis	Home Care
Artificial Teeth	Home Improvements
Bandages	Hospital Services
Birth Control Pills	Insurance Premiums
	Intellectually and Developmentally Disabled, Special Home for
Body Scan	Laboratory Fees
Braille Books and Magazines	Lactation Expenses
Breast Pumps and Supplies	Lead-Based Paint Removal
Breast Reconstruction Surgery	Learning Disability
Capital Expenses	Legal Fees
Car	Lifetime Care—Advance Payments
Chiropractor	Lodging
Christian Science Practitioner	Long-Term Care
Contact Lenses	Meals
Crutches	Medical Conferences
Dental Treatment	Medical Information Plan
Diagnostic Devices	Medicines
Disabled Dependent Care Expenses	Nursing Home
Drug Addiction treatment	Nursing Services
Drugs	Operations
Eye Exam	Optometrist
Eyeglasses	Organ Donors
Eye Surgery	Osteopath
Fertility Enhancement	

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Oxygen	Television
Physical Examination	Therapy
Pregnancy Test Kit	Transplants
Premium Tax Credit	Transportation
Psychiatric Care	Trips
Psychoanalysis	Tuition
Psychologist	Vasectomy
Special Education	Vision Correction Surgery
Sterilization	Weight-Loss Program
Stop-Smoking Programs	Wheelchair
Surgery	Wig
Telephone	X-ray

**Ineligible medical expenses may include:**

Baby Sitting, Childcare, and Nursing Services for a Normal, Healthy Baby	Illegal Operations and Treatments
Controlled Substances	Insurance Premiums
Cosmetic Surgery	Maternity Clothes
Dancing Lessons	Medical Savings Account (MSA)
Diaper Service	Medicines and Drugs From Other Countries
Electrolysis or Hair Removal	Nonprescription Drugs and Medicines
Flexible Spending Account	Nutritional Supplements
Funeral Expenses	Personal Use Items
Future Medical Care	Premium Tax Credit
Hair Transplant	Swimming Lessons
Health Club Dues	Teeth Whitening
Health Coverage Tax Credit	Veterinary Fees
Health Savings Accounts	Weight-Loss Program
Household Help	