



Lifestyle Spending Account

Give employers the ability to deliver financial assistance and perks that more closely align with what employees want and need.

What is the American Benefits Group Lifestyle Spending Account?

Not every employee has the same lifestyle needs. The American Benefits Group Lifestyle Spending Account gives employers the flexibility to allow employees to spend benefit dollars on the things that matter most to them. From physical and mental health needs, to professional and educational development, to travel and entertainment, employers have complete freedom to determine how their employees are able to spend their Lifestyle Spending Account dollars.

How is a Lifestyle Spending Account different from other health benefit accounts?

Similar to health savings accounts (HSAs) and flexible spending accounts (FSAs), Lifestyle Spending Accounts often have funds that are meant to be used for specific types of purchases. However, there are differences.

No tax benefit. Unlike HSAs and FSAs, Lifestyle Spending Accounts do not offer any tax advantages. Employers fund the accounts, and the funds are considered taxable income for employees.

Employers control how funds are spent. With HSAs and FSAs, there are restrictions on the use of funds, but these are typically set by the IRS. With Lifestyle Spending Accounts, employers create the program parameters. They can restrict the use of funds to certain types of purchases or leave it wide open. The choice is theirs!

Key benefits of Lifestyle Spending Accounts

- **Funding flexibility.** Employers can fund participant accounts to predefined amounts per employee, and set limits for specific types of services. Should employees' needs change, they can easily add more dollars to the account.
- **Easy to manage.** Lifestyle Spending Accounts decrease the administrative burden placed on HR teams to manually administer perk programs and employers can rest easy knowing their program will always be IRS compliant.
- **Preservation of unused funds.** Unlike cash or gift cards, employers only pay for what employees use. Any account funds not spent will be returned to them at the end of the plan year.

How do employers get started?

They simply identify their total budget for the program, determine how much they'd like to spend per employee, select the desired spending categories, and communicate the benefit to their employees. It's that easy! Contact us today to learn how the American Benefits Group Lifestyle Spending Account can help you provide a more attractive and unique benefits package.