



# Fitness & Wellness Spending Account eligibility standards



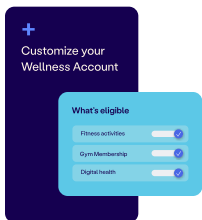
# Support workforce health and well-being

A Fitness & Wellness Spending Account is a benefit that employees can use to pay for various wellness-related expenses. This customizable spending account is employer-funded with endless options to support employee wellness.

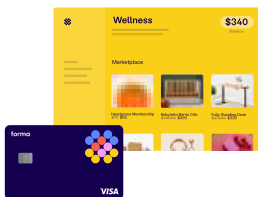
**Note:** Funds are treated as taxable income.

## How a Fitness & Wellness Spending Account works

This account can be designed based on specific business goals or initiatives, engagement survey results, and whatever matters most for workforce well-being.



**Employers** select fitness and wellness options to define program eligibility.



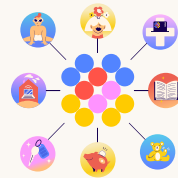
**Employees** spend funds on well-being and health-related items meaningful to them.

## Why this benefit is important

Businesses can enhance employees' health and well-being by providing funds for workers to invest in activities that personally matter to them. In fact, a Global Wellness Institute study found that a 100% increase in workplace wellness spending per capita (\$10) corresponds to a 4.7% increase in happiness level.<sup>1</sup> Because the program supports broad needs at scale, it is a critical driver for employers and employees that can improve employee satisfaction, health and wellness, and talent retention/attraction.<sup>2</sup>

## A better way to handle fitness & wellness benefits

Gain efficiency and get more with Lifestyle Spending Accounts (LSAs).



**Consolidate and save:** Rather than paying for several programs, consolidate benefits into a comprehensive well-being focused LSA, giving users a single touch point and broader coverage.



**Only pay for what employees use:** LSAs are notional - so the company only pays for the claims when employees use their funds. Compared to traditional perk programs, this approach is more efficient and cost-effective.



**Measure clear value:** When employees engage with their LSA, they appreciate having the flexibility to choose how to make the most of the dollars you've provided.



Learn how a Fitness and Wellness Spending Account helps employees live healthier while companies spend less.

<sup>1</sup> Global Wellness Institute: Health, Happiness, and the Wellness Economy: An Empirical Analysis

<sup>2</sup> NCBI: Fueling Work Engagement: The Role of Sleep, Health, and Overtime

# What to include in a Fitness & Wellness Spending Account

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Support employees' physical and mental health. The following list captures the top items to include in this type of account. For every stage in life, Forma is there to help employees live a healthy, balanced life.



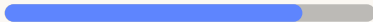
## Digital Health

- + Fitness apps
- + Habit building apps
- + Meditation apps
- + Nutrition apps
- + Sleep apps

### Extra options

- + Activity consoles  
(Dance Dance Revolution)
- + Video games
- + VR headsets

Percentage of Forma customers offering: **84%**



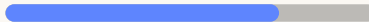
## Fitness Accessories

- + Body scale
- + Massage equipment\*
- + Sleep tracker
- + Smart watch

### Extra options

- + Athletic accessories  
(headband, towel)
- + Athletic clothing
- + Athletic shoes

Percentage of Forma customers offering: **75%**



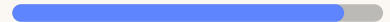
## Fitness Activities

- + Fitness classes\*
- + Gym memberships
- + Personal training\*

### Extra options

- + Athletic events  
(5k, race registration fee)
- + Outdoor activities  
(golf, camping, hiking)

Percentage of Forma customers offering: **91%**



Continued →

# What to include in a Fitness & Wellness Spending Account



## Fitness Equipment

- + Bike miscellaneous (accessories, locks)
- + Fitness tracker
- + Fitness protective gear
- + Home fitness equipment (Peloton, treadmill)\*
- + Outdoor activity equipment (tent, sleeping bag)

### Extra options

- + Motorized vehicles (eBikes, electric scooters)
- + Sports equipment (tennis racket, golf clubs)

Percentage of Forma customers offering:

69%



## Well-being Services

- + Massage therapy\*
- + Weight management aids\*

### Extra options

- + Aromatherapy\*
- + Hair care (haircut, color)
- + Massage equipment
- + Spa/sauna treatments
- + Well-being treatments (icebath)

Percentage of Forma customers offering:

78%



## What not to include

**For US companies:** Medical expenses should not be included in a Lifestyle Spending Account (LSA). Generally, when an employer-sponsored plan reimburses medical expenses, a group health plan is created. LSAs usually cannot adhere to the additional compliance rules applicable to group health plans. While all items can be included in global LSAs, it's important to note that regional considerations do apply.

Common medical expenses that should not be eligible under an LSA for US-based companies:

- x Acupuncture
- x Chiropractor
- x Copays and deductibles
- x Medical products (OTC medications)
- x Medical services
- x Physical exams
- x Smoking cessation
- x Surgery

## What to include in an Fitness & Wellness Spending Account

### Pairing up with a Meal & Nutrition Spending Account

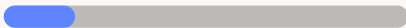
While this type of account could be offered as a stand-alone option, it's a great bonus to pair with a Fitness & Wellness Spending Account to further encourage and support healthy eating habits. 4% of Forma customers offer a Food and Nutrition Spending Account. The median annual funding is \$260 and 85% utilization per employee yearly.



#### Food & Dining

- + Groceries
- + Meal kits
- + Restaurant dining
- + Takeout

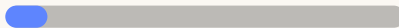
Percentage of Forma customers offering: **15%**



#### Food Accessories

- + Cookware  
(blender, bowls, air fryer)

Percentage of Forma customers offering: **8%**



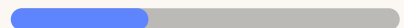
#### Food Services

- + Food delivery expenses
- + Food delivery memberships  
(DoorDash, UberEats)
- + Grocery delivery expenses  
(Instacart, Peapod)

##### Extra options

- + Nutrition programs

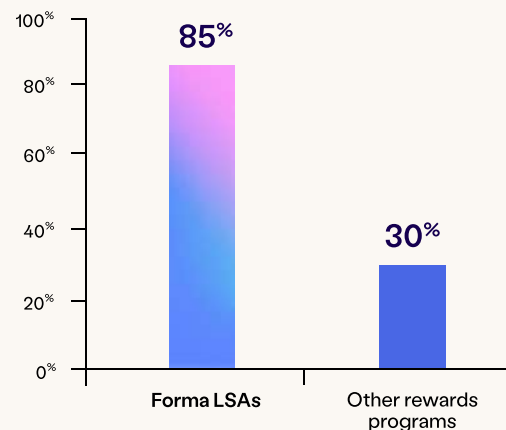
Percentage of Forma customers offering: **33%**



### Let's get physicals (and more \$\$\$)

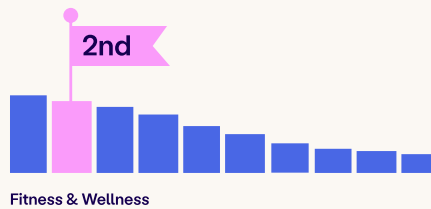
Incentivize employees by rewarding them for healthy behaviors. As a value driver, in addition to a Fitness & Wellness LSA, add a bonus spending account that gives funds to those who get their annual physical. Most rewards programs average around 30% engagement whereas Forma's LSAs boost engagement to 85%. By pairing the two together, you'll inevitably gain traction. What's more, you'll encourage employees to take a more active role and gain insight into their health status.

#### Measuring engagement



# Fitness & Wellness Spending Account benchmark data

Fitness & Wellness ranks as the 2nd most popular account type covered by Forma customers.



# 85%

of Forma's customers provide fitness and wellness-related coverage in LSA programs.

# 23%

of companies offer a dedicated Fitness & Wellness Spending Account.

# \$600

Median annual funding per employee

# 73%

Average budget utilization per member



For insights into how 450K employees from over 200 companies use their LSAs, check out the [2024 Lifestyle Spending Accounts \(LSA\) benchmark report](#).

## Customizable spending accounts. Better benefits.

Forma will help you define spending account eligibility. Configuration is easy and you can adapt at any time.

[Contact us](#) to learn more about what we can do for you.

