



Work from Home Spending Account eligibility standards



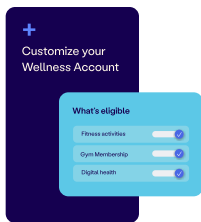
Support workers no matter where they are

A Work from Home Spending Account is an employer-sponsored benefit that employees can use to pay for remote setting needs. The program can encompass a variety of options that help ensure that employees have the tools they need to be productive no matter where they work.

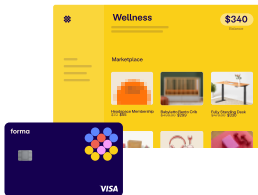
Note: In most cases, funds are treated as taxable income.

How a Work from Home Spending Account works

This account can be designed based on specific business goals or initiatives, engagement survey results, or whatever matters most to your workforce office setting.



Employers select home office options to define program eligibility.



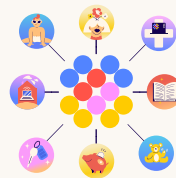
Employees spend funds on office-related items meaningful to them.

Why this benefit is important

Employees are continuing to demand flexibility with where they work. A resounding 56% of employees want to work remotely either most or part of the time¹ with employees equating hybrid work arrangements to an 8% raise.² Unlike the onsite working environments that give completed working spaces and devices, employees working remotely often have to set things up to conduct their jobs smoothly. With a Work from Home Spending Account, you can cover home office expenses to help offset costs, reduce stress, improve productivity, and drive engagement.

A better way to handle work from home benefits

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



Consolidate and save. Rather than paying for several individual programs, streamline by consolidating benefits into a comprehensive Work from Home Spending Account.



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



Measure clear value: When employees engage with their new flexible LSA, they can easily see how to make the most of the dollars you've provided. They'll thank you for the benefit with a newfound appreciation for the funds.



Learn how [Work from Home & Home Office Setup Spending Accounts](#) allow individuals to work better, and shield your organization from waste and risk.

¹ WTW: 2022 Global Benefits Attitudes Survey

² National Bureau of Economic Research: Why Working from Home Will Stick

What to include in a Work from Home Spending Account

Work from Home Spending Accounts empower employees to be set up to work wherever they are and whenever they need to plug in. The following list captures the top items to include in this type of account. Forma is there to help employees be productive no matter where they are.



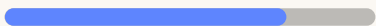
Connectivity

- + Internet accessories (modem, router, network hub)
- + Internet/WiFi fees
- + Phone bill
- + Utility bill

Extra options

- + Cable bill
- + IT support (Geek Squad)

Percentage of Forma customers offering: **76%**



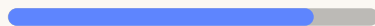
Home Office

- + Desk
- + Office chair

Extra options

- + Coworking fees (WeWork, office rental)
- + Lumber (desk build out)
- + Standing mat

Percentage of Forma customers offering: **86%**



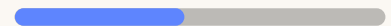
Work Equipment

- + Computer accessories (monitor, keyboard mouse)
- + Headphones
- + Laptop or computer
- + Office supplies
- + Printer
- + Tablet

Extra options

- + Backup storage & systems (iCloud or Google Drive subscription)
- + Bluetooth speaker
- + Cables & cords (power strip, surge protector)
- + Software

Percentage of Forma customers offering: **40%**



Continued →

What to include in a Work from Home Spending Account

Providing a Home Office Setup Spending Account for new hires

While a Work from Home Spending Account is a stand-alone option, it's a great bonus to pair with a one-time Home Office Setup Spending Account to support new team members or those shifting to an at-home work setting. 14% of Forma customers offer a Food and Nutrition Spending Account. The median annual funding is \$980 with an average of 64% utilization per employee each year.

Percentage of Forma customers offering:

12%



Home Office Setup

- + Home office furniture (desk, chair)
- + Work equipment (ergonomic items)

Compliance considerations

In the US, states and local jurisdictions have laws impacting reimbursement of employees' business expenses, such as California Labor Code Section 2802. These laws require businesses to reimburse employees for certain expenses that are necessary for them to carry out their work duties in settings outside of the workplace (e.g., WiFi and cell phone costs). Reimbursement of some remote work expenses may be eligible for tax-favored treatment as business expenses if the employer uses an accountable plan or the expense qualifies as a working condition fringe. Employers hoping to reimburse eligible expenses on a tax-free basis must satisfy additional IRS requirements.



Access guidelines to ensure your work from home reimbursement programs are legal and compliant

States and localities with business expense mandates:

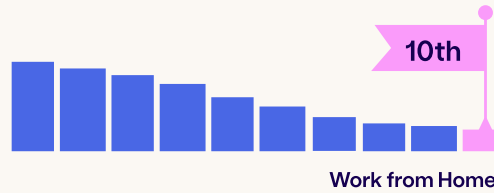
- + California
- + District of Columbia
- + Illinois
- + Iowa
- + Massachusetts
- + Minnesota
- + Montana
- + New Hampshire
- + New York
- + North Dakota
- + South Dakota
- + Seattle

What **not** to include

The focus of a Work from Home Spending Account is to support the Work from Home. As such, options outside of home-work settings, such as home fitness equipment, fitness accessories, and food services are not covered in most cases.

Work from Home Spending Account benchmark data

Forma's Work from Home Spending Account ranks 10th among the top 10 LSA benefits.



85%

of Forma customers cover home office-related expenses.

12%

of companies offer a dedicated Work from Home Spending Account.

\$670

Median annual funding per employee

74%

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.

