

Lifestyle Spending Account (LSA)

Frequently Asked Questions

City of Memphis — Benefit for Active Employees

Program Overview

Q: What is the Lifestyle Spending Account (LSA)?

A: The LSA is a wellness benefit funded by the City of Memphis to help active employees offset the cost of everyday health, wellness, and lifestyle expenses.

Q: Who is eligible for the LSA?

A: All active City of Memphis employees are eligible, including both full-time and part-time employees, as long as they are in active employment status.

Q: How much money do I receive, and how often?

A: The City provides **\$300 per year**, distributed in four equal installments of **\$75 per quarter**. Funds are added to your LSA balance automatically at the start of each quarter — there is nothing you need to do to receive them. **Funds do not roll over and will expire after December 31. Any reimbursement requests must be submitted by December 31.**

Quarter	Period	Amount Available	Use-It-Or-Lose-It?
Q1	January 1 – March 31	\$75	Rolls over to the next quarter
Q2	April 1 – June 30	\$75	Rolls over to the next quarter
Q3	July 1 – September 30	\$75	Rolls over to the next quarter
Q4	October 1 – December 31	\$75	Funds expire at midnight, December 31

Q: Who is Benepass?

A: Benepass is the LSA program administrator. Benepass offers a flexible spending platform that allows employees to easily use LSA funds allocated by the City for eligible wellness and lifestyle expenses.

Eligible Expenses

Q: What can I use my LSA funds for?

A: LSA funds are meant to support your overall health and well-being. Eligible categories typically include fitness, nutrition, mental wellness, and other approved lifestyle expenses. See the table below for examples.

Generally Eligible
Gym memberships & fitness classes
Fitness equipment and athletic apparel
Health trackers & wearables (e.g. Fitbit, Oura Ring)
Weight-management & nutrition programs
Mental health & wellness apps (e.g., meditation, sleep)
Financial planning or professional coaching
Stress management and personal care (e.g., massage, spa)

This list is illustrative, not exhaustive. Always check the approved expense list in the LSA portal or contact the Total Rewards Office.

Q: Is the LSA the same as my healthcare FSA or Select Medical Plan HRA?

A: No. The LSA is a separate, City-funded benefit intended for general wellness expenses. It does not replace your healthcare Flexible Spending Account (FSA) or Select Medical Plan Health Reimbursement Account (HRA), and it cannot be used to reimburse the same expense twice. Medical expenses that are eligible for reimbursement through insurance, an FSA, or an HRA should be submitted to Health Equity.

Using Your Funds

Q: How do I access or spend my LSA funds?

A: Employees use a designated benefits card (or submit a claim for reimbursement) through the City's benefits administration portal, Benepass. To submit a claim for reimbursement, you will need to provide a receipt showing the date, vendor, item/service purchased, amount paid, and the payment method used.

Q: What if I don't use all \$75 in a quarter — can I carry the difference into the next quarter?

A: Yes. Each \$75 quarterly amount can be combined with future quarters. However, any unused funds at the end of the plan year on December 31 are forfeited.

Q: Do unused funds roll over to the next year?

A: No. LSA funds do not roll over to the following year. Each quarterly \$75 allotment will automatically roll over. However, any unused balance at the end of the plan year on December 31 is forfeited. Employees should plan purchases accordingly to make full use of their allotment each year. Claims for reimbursement must be submitted by December 31.

Q: Is the LSA amount taxable?

A: Yes. Because the LSA covers a broad range of lifestyle and wellness expenses beyond strict medical care, reimbursements are treated as taxable income and will be included on your W-2.

Eligibility Changes & Timing

Q: When will I be eligible for this benefit?

A: Eligibility Criteria:

o **Full-time** employees are eligible after:

- **3 months of employment**

- Defined as those working 30 or more hours per week.

o **Part-time** employees are eligible after:

- **1 year of employment**

- Must maintain a minimum of 20 hours per week (~1,040 hours annually)

Q: What happens to my LSA if I leave City employment?

A: LSA eligibility ends on your last day of active employment. Any unused balance is forfeited, and new claims cannot be submitted for expenses incurred after your separation date.

Q: Does part-time status change my benefit amount?

A: No. Both full-time and part-time active employees receive the same \$300 annual / \$75 quarterly benefit, provided they meet the plan's eligibility requirements.

Claims & Support

Q: How do I order a physical LSA card?

A: All users will be issued virtual cards that can be used for online purchases or contactless payments using a mobile wallet. However, physical cards can be ordered. See the steps below.

Steps to Order a Physical LSA Card

- Navigate to the **Cards** page
- Select "**Order physical card.**" you may need to scroll past other cards to see this option
- Enter your US shipping address
- Confirm "**Mail physical card**"

Your card will arrive within 2 weeks. Once it arrives, it must be activated before use.

Q: What documentation do I need to submit a claim?

A: Receipts should be itemized and easy to read. It must show the merchant's name, the purchase date, the items or services purchased, the total amount paid, and the payment method used. Please ensure photos are well-lit and legible.

Q: How long does it take to receive my reimbursement?

A: Approved expenses are reimbursed directly to your chosen bank account via direct deposit.

- Benepass reviews expenses within 5 business days
- Approved expenses are paid automatically
- Payment arrives in your bank account 3-5 business days after approval

Q: What if my claim is denied?

A: If the expense does not meet the requirements for a particular benefit, it will be denied. Declined transactions in the Benepass app will include a brief description of why the purchase was declined. Whenever a claim is denied, those funds are immediately returned to your balance.

Q: Who do I contact with questions about my LSA?

A: Contact the City of Memphis Total Rewards Office at 901.636.6800 or email benefitsquestions@memphistn.gov. For Benepass Customer Support, contact them using the Support messenger in the app account or via the “Customer Support” button in the Support Portal.

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