

*With the Limited Purpose FSA, get reimbursed for out-of-pocket dental, vision, and preventative care expenses with tax free dollars*

## MAXIMIZE YOUR INCOME!

Limited Purpose Flexible Spending Accounts (FSAs) allow you to pay certain dental, vision and/or preventative care expenses with pre-tax money. You will not pay any Federal, State or Social Security taxes on funds placed in the Plan. You will save between approximately \$27.65 and \$37.65 on every \$100 you place in the Plan. The amount of your savings will depend on your Federal tax bracket.

## ELIGIBILITY

Participation in the Plan begins on October 1, 2023 and ends on September 30, 2024. You will be eligible to join the Plan on the first of the month following your date of hire. You must also be enrolled in a High-Deductible Health Plan (HDHP). Those employees having a qualifying event are eligible to enroll within 30 days of the qualifying event. Deductions begin on the first pay period following your Plan start date. You must complete an enrollment to participate in the Flexible Spending Accounts each year during the enrollment period. If an enrollment is not completed during open enrollment, you will not be enrolled in the Plan and you will not be able to join until the next Plan Year or if you have a qualifying event.

## ELECTION CHANGES

Election changes are only allowed if you experience one of the following qualifying events:

- Marriage or divorce
- Birth or adoption
- Involuntary loss of spouse's medical or dental coverage
- Death of dependent (child or spouse)
- Unpaid FMLA or Non-FMLA leave

## REIMBURSEMENT SCHEDULE

All manual or paper claims received in the office of Flexible Benefit Administrators, Inc. will be processed within one week via check or direct deposit. You may also use your Benefits Card to pay for expenses. Please refer to the Benefits Card section for details.

## ONLINE ACCESS

Flexible Benefit Administrators, Inc. provides on-line account access for all FSA participants. Please visit their website at:

<https://fba.wealthcareportal.com/> to view the following features:

- **FSA Login** – View balances, check status and view claims history-download participation forms.
- **FSA Educational Tools** – FSA calculator: Estimate how much you can save by utilizing an FSA.

## THE LIMITED FSA ACCOUNT IS A PREFUNDED ACCOUNT

This means that you can submit a claim for dental and/or vision expenses on the first day of the Plan Year and you will be reimbursed your total claim amount up to your annual election. The funds that you are pre-funded will be recovered as deductions which are taken from your paycheck on a pre-tax basis.

**Contribution Limit:** The maximum you may place in this account for the Plan Year is \$3,050.

## BENEFITS OF USING A LIMITED PURPOSE FSA WITH AN HSA

With this account, you can pay for your out-of-pocket dental, vision, and preventative care expenses for yourself, your spouse and all your dependents for services that are incurred during your Plan Year and while an active participant. Funds contributed to your Health Savings Account (HSA) can also cover these expenses, so why would someone choose to make a second contribution to a Limited FSA along with an HSA? Below are a few key reasons to contribute to both to get the most out of your HSA.

### **You will likely have dental and/or vision expenses early in the Plan Year.**

A Limited Purpose FSA is prefunded at the beginning of the Plan Year while HSA funds are only available as they are deposited into your account. For this reason, if you are planning on incurring dental and/or vision expenses early in the Plan Year, a Limited Purpose FSA is a great way to pay for those expenses. With the Limited FSA, you can use your full election as soon as you need it. Since it acts like a tax-free, interest free loan. This is particularly useful for those who have just opened their HSA and/or who haven't been able to build up a balance in their HSA account.

### **You want to use your HSA contributions primarily for medical expenses.**

Since you are covered by a High-Deductible Health Plan, you know you may be required to pay higher amounts for medical expenses you incur. If you know you'll use most of your HSA contributions for these medical expenses, it makes sense to set aside separate contributions to cover any vision or dental expenses.

### **You wish to use your HSA as a retirement or investment account.**

HSAs offer a triple-tax advantage, meaning you get a tax advantage towards your contributions, distributions (if used for eligible expenses), and any interest you earn from your HSA. Medicare expenses for those 65 years and older can easily add up to \$200,000 for a couple over the course of 20 years. This does not include dental, vision, hearing aids, and out-of-pocket drugs. By using funds from a Limited Purpose FSA, you can allow more money to remain in your HSA to gain interest while still getting the same tax advantage on your vision and dental expenses.

## ELIGIBLE VISION AND DENTAL EXPENSES

The Limited FSA allows you to pay for dental and vision expenses for you and your eligible dependents with pre-tax dollars. Eligible dental expenses include dental procedures that are not for cosmetic purposes and not covered by your insurance such as those listed below.

### Examples of Eligible Dental Expenses:

- Orthodontia (Braces)
- Crowns
- Fillings
- Checkups

For orthodontia expenses, you can use funds in your Limited FSA to either be reimbursed for a payment made in full on the first orthodontic visit (up to your annual election). If you pay for your orthodontia treatments over the span of multiple plan years, you can pay the monthly payment directly to your orthodontist, then send a claim form in each month to be reimbursed or you can pay your monthly payments with your Benefits Card and send FBA a copy of your orthodontic contract to keep on file so that we can setup a recurring expense on your account.

### Examples of Eligible Vision Expenses:

- Eyeglasses
- Prescription Sunglasses
- Routine Eye Exam
- Lasik Eye Surgery
- Contact Lenses
- Diagnostic Services

## ELIGIBLE PREVENTATIVE CARE EXPENSES

In order for an expense to be considered "preventative care" you will need to acquire a prescription or Letter of Medical Necessity from your medical provider that specifically states that the treatment is for the prevention of the onset of an illness. Once you are officially diagnosed with a condition, any expenses used towards treating the condition would not be eligible. Below are two examples of preventative care to prevent the onset of illnesses.

### Diabetes

Your doctor may write you a letter of medical necessity stating that they recommend you get a gym membership and exercise in order to prevent the onset of Type II Diabetes.

### High Blood Pressure

If you have a family history of high blood pressure, your doctor may write you a prescription for blood pressure medication preventing high blood pressure.

Other eligible "preventative care" expenses include tobacco cessation programs, cancer screening, heart and vascular care screenings, substance abuse screenings, routine prenatal care, and child and adult immunizations.

*Please refer to IRS Notice 2004-23 for a more comprehensive list of preventative care expenses.*

## HOW TO RECEIVE REIMBURSEMENT

To obtain a reimbursement from your Flexible Spending Account, you must complete a Claim Form. This form is available to you on our website. You must attach a receipt or bill from the service provider which includes all the pertinent information regarding the expense:

- Date of service
- Patient's name
- Amount charged
- Provider's name
- Nature of the expense
- Amount covered by insurance (if applicable)

Canceled checks, bankcard receipts, credit card receipts and credit card statements are NOT acceptable forms of documentation. You are responsible for paying your dental and vision provider directly.

## HOW THE FLEXIBLE BENEFIT PLAN WORKS

	Without Flex Benefits	With Flex Benefits
Gross Monthly Income	\$ 2,500.00	\$ 2,500.00
Eligible Pre-Tax employer medical insurance	\$ 0.00	\$ 200.00
Eligible Pre-Tax Medical Expenses	\$ 0.00	\$ 60.00
Eligible Pre-Tax Dental and Vision Expenses	\$ 0.00	\$ 150.00
<b>Taxable Income</b>	<b>\$ 2500.00</b>	<b>\$ 2090.00</b>
Federal Tax (15%)	\$ 375.00	\$ 313.50
State Tax (5.75%)	\$ 143.75	\$ 120.18
FICA Tax (7.65%)	\$ 191.25	\$ 159.89
After-Tax employer medical insurance	\$ 200.00	\$ 0.00
After-Tax Medical expenses	\$ 60.00	\$ 0.00
After-Tax Dental and Vision expenses	\$ 150.00	\$ 0.00
<b>Monthly Spendable Income</b>	<b>\$ 1380.00</b>	<b>\$ 1496.43</b>

By taking advantage of the Limited FSA to cover dental and vision expenses and the HSA to cover their Medical expenses, this employee was able to increase his/her spendable income by \$116.43 every month! This means an annual tax savings of \$1,397.16. Remember, with the FLEXIBLE BENEFIT PLAN, the better you plan the more you save!

## FORFEITING FUNDS

Plan carefully! Unused funds will be forfeited as governed by the IRS's "use-it-or-lose-it" rule. Your employer has elected to add the \$500 roll-over provision to the Limited FSA. Please see the Employee Guide for more info.

## HOW TO ENROLL IN OUR FSA PLAN

### Step 1

Carefully estimate your eligible dental, vision and/or preventative care expenses for the upcoming Plan Year. Then use our online FSA Educational Tools located at <https://fba.wealthcareportal.com/> to help you determine your total expenses for the Plan Year.

### Step 2

Complete your enrollment during the open enrollment period, which instructs payroll to deduct a certain amount of money for your expenses. This amount will be contributed on a pre-tax basis from your paychecks to your FSA. Remember the amount you elect will be set aside before any federal, social security, and state taxes are calculated.

## BENEFITS CARD

The Benefits Card can be used as a direct payment method for eligible expenses incurred at approved service providers and merchants. Using your card allows you instant access to your funds with no out-of-pocket expense. Please keep all your itemized receipts. Flexible Benefit Administrators, Inc. may request documentation to substantiate Benefits Card transactions to determine eligibility of an expense. Benefits Cards are available upon request of the account holder for dependents over the age of 18. Please contact Flexible Benefit Administrators, Inc. to order additional cards.

