

Fidelity HealthSM

Limited Purpose Flexible Spending Account (LPFSA)



What is a Limited Purpose FSA?

Using a Limited Purpose Flexible Spending Account, along with a Health Savings Account (HSA), is an innovative way to increase your tax benefits and keep more of your money.

You can use your LPFSA pretax dollars to pay for qualified vision and dental expenses, while utilizing your HSA for medical expenses - all with the convenience of a NetBenefits AccessCard[®].

With a Limited Purpose FSA, you elect an annual contribution amount that is deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the amount you have specified. Your annual contribution amount is available to you the first day of coverage period; you do not need to wait to accrue the funds.

The maximum amount you may elect is set by your employer and cannot exceed the IRS limit for the year. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings.

Qualified Dental and Vision Expenses

A Limited Purpose FSA works with an HSA-eligible health plan and an HSA. A Limited Purpose FSA is a great way to pay for expenses with pretax dollars. Some examples include¹:

- Out-of-pocket expenses like co-pays, coinsurance, or deductibles for dental and vision plans
- Purchasing glasses, contact lenses, or laser eye surgery
- Orthodontia care such as braces, or dental expenses
- Preventive care not covered by your health plan (you will need to submit a manual claim for those expenses)



Limited Purpose FSA

Planning Ahead



Decide how much you want to contribute.

Before you enroll, you must first decide how much you want to contribute to your account. You will want to spend time estimating your anticipated eligible dental and vision expenses for the year. You can use your funds to pay for qualified expenses for yourself, your spouse, or your eligible dependents.



Limited Purpose FSAs are use-it-or-lose-it accounts.

The funds you contribute don't roll over from year to year.



You'll need to make sure your expenses qualify for LPFSA spending.

It is important to ensure that the funds being used from the LPFSA are for qualified dental and vision expenses. Tracking receipts and reimbursements is a best practice. Refer to [IRS Publication 969](#) and [IRS Publication 502](#), or your summary plan description, for a complete list of allowable expenses.

Easy Access

You can submit Limited Purpose FSA claims as often as qualified expenses are incurred. Expenses must be incurred during the plan year, and any reimbursement must be requested before the end of the run-out period.

NetBenefits AccessCard®

You will receive a NetBenefits AccessCard to make it easy to pay for qualified vision and dental expenses. When you use the NetBenefits AccessCard, payments are automatically withdrawn from your account.

Most expenses can be validated through the card transaction, but you may be required to provide a copy of the receipt for certain transactions, in accordance with IRS rules. When necessary, receipts can be easily uploaded to [NetBenefits](#).

Reimburse Yourself

You can submit a claim by logging in to [NetBenefits](#) and selecting the "Flexible Spending and Reimbursement Accounts" tile. From there, you can select the "Reimburse Yourself" tile.

You can request a check disbursement or link a bank account for faster transfers. Reimbursements can only be processed for expenses that have already been incurred.

Limited Purpose FSA



Frequently Asked Questions

How do I participate in an LPFSA?

To participate you must enroll during your employer's annual enrollment or as the result of a qualifying life event. Contact your benefits administrator for more information.

How do I change my Limited Purpose FSA deduction amount?

Employers only allow changes to your election during annual enrollment or a qualifying life event, such as the addition or loss of a dependent. Contact your benefits administrator for more information.

Can I enroll in both an HSA and an FSA?

You can make contributions to an HSA and an FSA if you are covered under a Limited Purpose FSA because this kind of FSA restricts reimbursements to certain qualified medical expenses such as vision, dental, or preventive care benefits.

When are my funds available?

The full benefit amount that you elect is available at the beginning of the coverage period, regardless of how much has been contributed at that point. Once you submit a claim, a review occurs within two business days, and reimbursement can take as little as three business days through direct deposit once the claim is approved. Visit [NetBenefits](#) for more information and instructions on linking your bank account.

What do I do if I requested LPFSA funds in error or a provider refunds me for an expense that I paid for with my LPFSA?

A refund can be submitted via check along with the claim number to the address listed on claim notifications. You can also contact our call center to have the corresponding claim denied so you can repay the claim on [NetBenefits](#). If the provider refunds your NetBenefits AccessCard then the account will be repaid, but you may need to contact the call center if the claim is unresolved. At that point, we can have the refund applied to that claim.



Frequently Asked Questions

How much will I really save in taxes by contributing to a LPFSA?

No payroll or income taxes are withheld from contributions to an FSA.

The amount you may save depends upon:

- The amount you put into your LPFSA
- The tax percentage you would normally pay on that money (tax bracket).

Let's say you want \$2,000 taken out of your paycheck this year to put into your LPFSA. The money you direct to your LPFSA is taken out of your check before taxes are taken out. That reduces your taxable income by \$2,000.

Let's say you normally pay 30% in federal, Social Security, and state taxes on your income. In this example, you would have a tax savings of 30% of the \$2,000. In other words, you could get an estimated tax savings of \$600 on the \$2,000 you directed to your LPFSA.

What happens if I terminate employment?

If employment is terminated, the Limited Purpose FSA on your NetBenefits AccessCard® will be deactivated, and you will have a run-out period to submit claims for eligible expenses incurred while you were still actively employed. Your employer determines the length of the run-out period. After the run-out period ends, any remaining funds in your account will be forfeited to your employer.

Typically, Limited Purpose FSAs can be continued under COBRA. If you wish to enroll in COBRA coverage for your Limited Purpose FSA, please contact your benefits administrator for more information.

¹ Refer to [IRS Publication 969](#) and [IRS Publication 502](#), or your summary plan description, for a complete list of allowable expenses.

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