



# Limited Purpose Flexible Spending Account

In general, if you are currently participating in a qualified High-Deductible Health Plan (HDHP) and are either making contributions to a Health Savings Account (HSA) or having contributions made to a Health Savings Account on your behalf, you cannot also have a flexible spending account (FSA). However, you may elect a *limited purpose* Health FSA, or LPFSA, thereby allowing you to maintain both accounts concurrently. A Limited Purpose Account restricts eligibility to those expenses that will not disqualify you from making contributions under your HSA.

## What is a LPFSA?

Under a Limited Purpose Account, regular medical expenses are not eligible for reimbursement until you meet the statutory minimum annual deductible set by the IRS. For the 2024 Plan Year, the minimum annual deductibles are \$1,600 for self-only coverage and \$3,200 for family coverage. These are the minimum annual deductible limits for a medical plan to qualify as a High-Deductible Health Plan (HDHP). In some cases, your medical plan deductible may be greater than the amounts listed above, in which case you *could* claim medical expenses beyond the amount listed above but still be under your medical plan deductible.

When making an election to a LPFSA, please only take into consideration the following expenses.

- Dental Expenses
- Orthodontia Expenses
- Vision Expenses

Once you have spent the statutory minimum annual deductible amounts in one year, your LPFSA can be converted to a *regular* Health Flexible Spending Account (FSA), and post-statutory deductible expenses will be eligible for reimbursement. Post-statutory deductible expenses are regular medical expenses that are incurred after the date in the Plan Year in which the federal statutory deductible is met. This means that regular medical expenses will not be eligible for reimbursement until after the statutory minimum annual deductible has been met.

## How To Elect a LPFSA:

You must make an affirmative election for the Limited Purpose Health FSA. If you are contributing to an HSA plan and you submit medical expenses and do not notify Vita of your election of a Limited Purpose Account, the reimbursements could disqualify your HSA. Regardless of whether contributions to your HSA account are contributed by you or are made on your behalf through your Employer, you are responsible for notifying Vita if you wish to elect under the Limited Account provisions of this Plan. Please note, if you become eligible under a qualifying High Deductible Health Plan mid-Plan Year and would like to start contributing to an HSA plan mid-year, you will typically be restricted from doing so because becoming newly eligible under an HDHP plan and wanting to commence HSA contributions does not qualify as a valid reason to make an election change. This extends to the fact that you may not make a mid-year change to your regular Health FSA account to change it to a Limited Purpose HSA on a mid-year basis.

## Convert Your LPFSA to a Regular FSA:

For post-statutory deductible expenses, you must submit documentation clarifying the specific date in the Plan Year that the amount of the statutory deductible has been satisfied prior to any such expenses being eligible for reimbursement. Please note, in some cases the deductible on your health plan will be greater than the statutory deductible. This means that the portion of your health plan deductible that exceeds the statutory deductible will be eligible for reimbursement under your Limited Purpose Health FSA.

To have your LPFSA converted, you will need proof you have reached the statutory minimum annual deductible in spending. The Explanation of Benefits (EOB) from your HDHP insurance provider will specify the amount you have spent towards your deductible year to date. Please submit the EOB to Vita Flex at [help@vitamail.com](mailto:help@vitamail.com).

## Why have an HSA and LPFSA?

An LPFSA is a great way to pay for expenses with pre-tax dollars without the restrictions of a standard FSA.

An LPFSA reimburses you for your dental and vision expenses only and, if you also have an HSA, those expenses will be deducted from the LPFSA first.

The HSA covers all eligible health care expenses including medical, prescription, dental, and vision.

A Healthcare HSA and LPFSA could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

## Have Questions or Need Help?

Vita Concierge is available to assist you via telephone or email, Monday through Friday from 8 a.m. to 5 p.m. Pacific time. Call (650) 966-1492 or email [help@vitamail.com](mailto:help@vitamail.com) with any questions.

