



Answers to questions about limited- purpose FSAs



What is it?

A limited-purpose flexible spending account (FSA) is a special account that lets you set aside money—before it is taxed—to help pay for eligible dental and vision expenses.

How does it work?

When the plan year begins, money is taken out of your paycheck before federal, state or Social Security taxes are taken out. The money is placed into your FSA and is available the first day of the plan year.

Why is it a good idea to have one?

Under current IRS rules, you cannot deposit money into a health savings account (HSA) if you participate in a standard health care FSA. However, because a limited-purpose FSA restricts reimbursements to specific dental and vision care expenses, the IRS allows you to participate in both a limited-purpose FSA and an HSA at the same time. By having both accounts, you can maximize your tax and savings benefits.

What is an HSA?

An HSA is a health care account and savings account in one. The main purpose of this account is to offset the cost of a qualifying high deductible health plan (HDHP) and provide savings for your out-of-pocket eligible health care expenses—those you and your tax dependents may have now, in the future and during your retirement.

Is there a limit to how much I can contribute?

The IRS limits the amount you can put into a limited-purpose FSA each year. The current limit is \$3,200. Your employer may set a lower limit.



Remember

You'll need to re-enroll in your FSA each plan year.

What expenses are eligible?

Qualified out-of-pocket expenses for dental or vision care provided to you, your spouse or dependents. Typical eligible expenses include:

Dental

- Artificial teeth
- Braces
- Dental plan deductible, coinsurance and copayments
- Dental services like exams, cleanings, fillings and X-rays
- Mouth guards
- Orthodontia services
- Tooth removals

Vision

- Contact lenses and solutions
- Eyeglasses and frames
- LASIK eye surgery
- Vision exams
- Vision plan deductible, coinsurance and copayments

What is the “use it or lose it” rule?

In most cases, if you don’t spend your FSA dollars by the end of the plan year, you may lose that money. Most people are able to spend the money they set aside. Your employer may give you more time to spend your money (called a grace period) or may let you carry money over to next year.

An easier way to manage your limited-purpose FSA

Automatic payment^{1,2}

If a dental or vision service is covered by your health plan, we can automatically pay the claim from your FSA.

Online claim form

You can submit your dental and vision claims at myuhc.com[®] to ask for reimbursement from your FSA for services you’ve already paid for.

Direct deposit

We can reimburse your money directly into your personal bank account.

Learn more

Visit myuhc.com for more on limited-purpose FSAs

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This communication is not intended as legal or tax advice.

¹ May not be available to some members. Please see your FSA benefit documents.

² Will not work for non-network services.

A flexible spending account is not insurance.

Information for individuals residing in the state of Louisiana or have policies issued in Louisiana: Health care services may be provided to you at a network health care facility by facility-based physicians who are not in your health plan. You may be responsible for payment of all or part of these fees for those non-network services, in addition to applicable amounts due for copayments, coinsurance, deductibles, and non-covered services. Specific information about network and non-network facility-based physicians can be found at myuhc.com or by calling the toll-free Customer Care telephone number that appears on the back of your health plan ID card.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by United HealthCare Services, Inc. or their affiliates.

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