



## Limited Purpose Flexible Spending Account

The BenefitWallet® Limited Purpose Flexible Spending Account (LPFSA) allows you to use pre-tax dollars to pay for eligible out-of-pocket dental and vision expenses. The account is typically paired with a Health Savings Account (HSA), allowing you to maximize your tax savings. Use the funds to pay for a broad range of expenses for you, your spouse and your tax dependents – even if they aren't covered by your health plan.

### How it works

1. Estimate what you will spend on eligible out-of-pocket dental and vision expenses for the year.
2. Enroll in an LPFSA through your employer.
3. Use your funds.
4. **Important: You must save all receipts and submit to BenefitWallet for reimbursement.**

### Account advantages

**Tax-free:** Save up to 35% on eligible health care costs.

**Convenient:** Make payments with your LPFSA debit card (if offered with your plan), mobile app, online bill pay, and online claims submission.

**Note:** In general, LPFSA funds expire at the end of your plan year, though your employer may offer options, such as a grace period, run-out period, or rollover. These options all extend your ability to use current year funds into the next year. **See the LPFSA FAQ section for more details.**

### Qualifying expenses



#### Eye care

- Vision exams
- Eye glasses
- Eye surgery
- Contact lenses
- Saline solution
- Laser surgery
- Diagnostic Services
- Eyeglass repair kits
- Copays/deductibles



#### Dental care

- Teeth cleanings
- Dental x-rays
- Orthodontia
- Root canals
- Devices/guards
- Diagnostic services
- Extractions; fillings
- Copays/deductibles
- Dentures/implants
- Crowns/bridges



### We're here to help

For more information visit our website at [mybenefitwallet.com](https://mybenefitwallet.com) or call us at 855.236.8600.

# Limited Purpose Flexible Spending Account:

## Frequently asked questions

### What is a Limited Purpose FSA (LPFSA)?

An LPFSA is an employee benefit provided by your employer that allows you to save money. With an LPFSA, you set a specific amount of pre-tax dollars to be withheld from your paycheck. You can then use those funds to pay for qualified dental and vision expenses.

### What tax savings do I get with an LPFSA?

The money you have withheld from your paycheck is pre-tax and not subject to federal and payroll taxes. You could save up to 35% if you paid 28% federal and 7% payroll taxes on the portion of your income that instead went into your LPFSA. Please consult a tax advisor for more information on your potential LPFSA tax savings.



### How does an LPFSA work?

1. **Funding:** During open enrollment, you decide on a specific amount of pre-tax dollars with which to fund your account. Be sure to choose an amount you will spend as leftover money is typically lost at the end of your plan year.
2. **Paying for qualified expenses:** Pay for eligible expenses using your LPFSA debit card (if offered with your plan). You could also pay out of pocket and request reimbursement online or through the BenefitWallet mobile app.
3. **Requesting reimbursement/substantiating purchases:** Each purchase you make must be verified, or substantiated, typically with an itemized receipt and Evidence of Benefits. You can use [mybenefitwallet.com](https://mybenefitwallet.com) or the mobile app to submit claims and request reimbursement.
4. **Reimbursement claims processing:** BenefitWallet promptly processes your request. If you paid out of pocket, we will reimburse you by direct deposit or check. Set up direct deposit at [mybenefitwallet.com](https://mybenefitwallet.com) to receive faster reimbursements.

### Whose expenses can I pay with my LPFSA?

Your LPFSA can be used to pay for your qualified dental and vision expenses and those of your spouse and tax dependents, if you have them.

## What special account features does my employer offer?

You will need to check with your employer about special LPFSA features that could extend the timeframe for spending your annual funds. Remember, in general LPFSA funds expire at the end of your plan year. Your employer may offer a grace period (allows you to use prior-year funds to pay for expenses incurred at the beginning of the following year), a run-out period (allows you to submit claims for prior-year expenses during the first couple months of the following year) or a rollover (allows you to roll over a maximum of \$500 into the following plan year, to be used anytime during that next year).

## What happens to my LPFSA if my employment ends?

Deductions for your LPFSA will end when your employment ends, unless your employer is obligated to offer you COBRA continuation and you elect this option. If you don't choose COBRA, you are not eligible to be reimbursed for qualified medical expenses incurred after the termination of your employment. Reimbursement requests for claims incurred while active under the LPFSA plan must be submitted prior to the end of your employer's plan year.

## Who is eligible to contribute to an LPFSA?

If you have a Health Savings Account (HSA) and your employer offers an LPFSA (limited to dental and vision expenses), you are eligible to contribute to both a LPFSA and HSA. This allows you to maximize your tax savings benefits.

## Which should I spend first – LPFSA funds or HSA funds?

This decision is up to you, but in general you should consider spending your LPFSA funds first because the funds typically expire if you don't use them in the same year you fund the account. Conversely, your HSA funds carry over year after year and never expire.



## What kinds of expenses qualify?

An LPFSA covers out-of-pocket dental and vision expenses. These typically include dental cleanings, fillings, crowns and braces. Covered vision expenses include contacts, glasses, eye exams and vision correction procedures like laser surgery. View the complete list of qualified expenses at [irs.gov/pub/irs-pdf/p502.pdf](https://www.irs.gov/pub/irs-pdf/p502.pdf).

## Who do I contact with questions?

For more information visit our website at [mybenefitwallet.com](https://mybenefitwallet.com) or call us at 855.236.8600.

