

LIMITED PURPOSE FSAs



USING THE LIMITED PURPOSE FSA WITH YOUR HSA

If you and/or your spouse are covered by a Health Savings Account (HSA) you cannot be covered by a traditional health Flexible Spending Account (FSA). However, you can take advantage of the Limited Purpose FSA. **The Limited Purpose FSA (Limited plan) covers only vision, dental, and orthodontic expenses for you and your family and does not affect your HSA eligibility.**

What expenses can be covered by a Limited plan?

Covered expenses include vision, dental, and orthodontic expenses incurred by you and your family.

What if my spouse/dependents are covered by a separate, non-high-deductible health plan?

The same type of expenses can be submitted to the Limited plan, regardless of their health plan coverage.

If I am covered by the HSA, do I have to use the Limited plan to pay for my family's vision, dental, and orthodontic expenses?

No, participation in the Limited plan is optional. You also have the option to use your HSA to cover these expenses.

What is the advantage of using the Limited plan and the HSA?

If you have regular vision, dental, and/or orthodontic expenses, the Limited plan can help preserve the funds in your HSA for future medical expenses, including post-retirement medical expenses.

Can I change my Limited plan election?

Once the plan year begins your election cannot be revoked or modified, unless you experience a qualified life-changing event such as marriage, birth of child, etc.

Is the traditional health FSA still available?

Yes, the traditional plan is still available and can be used by employees who are not covered by the HSA.

Is the Health Benefits Card (debit card) available with the Limited plan?

Employers choose whether or not to offer the debit card with Limited plans. If your employer has chosen to allow card usage with the Limited plans, you will use the same debit card for the Limited plan that you use for the HSA. Review your employer's plan document or inquire with your employer for details about your specific plan.

If I swipe my debit card at a dental office will the funds come from my HSA or my Limited plan first?

The card will take available funds from the Limited plan first because it is a covered Limited plan expense.

What happens if I don't have enough funds in my Limited plan to cover a Limited plan expense?

The debit card will take what funds are available from the Limited plan, and take the remaining balance (if any) from your HSA. *For example, you go to a vision store and buy glasses for \$495. You have \$300 in your Limited plan and \$1,000 in your HSA. Once you swipe your card it will take \$300 from the Limited plan, and the remaining \$195 from your HSA in one swipe. No need to swipe it twice!*

What happens if I swipe my card for a non-Limited plan expense, and I have funds left in my Limited plan?

The card will recognize that the swipe is for a non-Limited plan expense and take the money from your HSA.

What happens if I swipe my card for a dental expense and it comes from my Limited plan and I want it to come from my HSA?

You will need to contact Alerus and we will switch the swipe from your Limited plan to your HSA per your request. The debit card will always try and take funds from the benefit that closes first. Because the HSA rolls over from year to year, the debit card will always try and take any eligible Limited plan expense from your Limited plan account first.

What if I swipe my card for a dental expense and it comes from my HSA?

This could have happened because your provider/merchant has the item or their debit/credit card machine coded differently. You will need to contact Alerus. Once we have received eligible documentation and verified the expenses are Limited plan eligible, we will switch the funds to take from the Limited plan benefit.