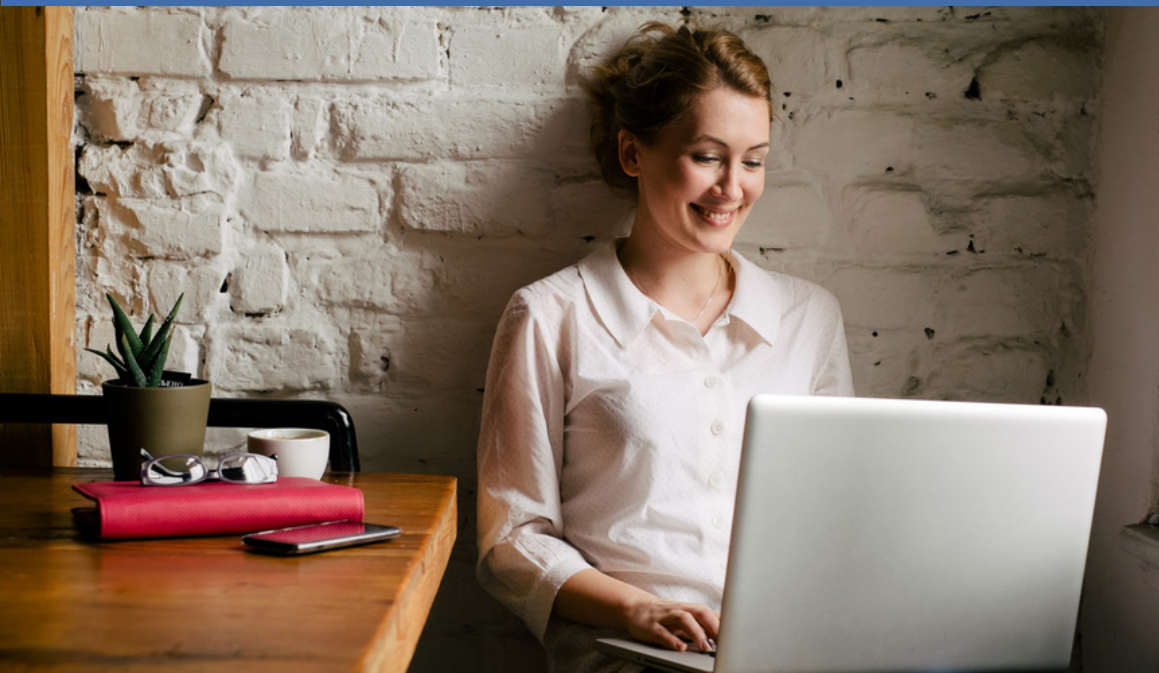




Save money on qualifying eligible expenses with a Limited Purpose Health FSA and at the same time build a savings nest for healthcare expenses by contributing to a Health Savings Account!



What is a Limited Purpose Health Flexible Spending Account?

A Limited Purpose Health Flexible Spending Account (FSA) is a restricted Health FSA that can only be used by employees who enroll in a High Deductible Health Plan with a Health Savings Account (HSA). If you sign up for an HSA, the IRS requires that any Health FSA be restricted in the types of expenses that are eligible for reimbursement. Expenses reimbursed through a Limited Purpose Health FSA are restricted to dental, vision and preventative medical expenses that are not covered under your health plan.

Rules for a Limited Purpose Health FSA

- Use-or-lose-rule: funds cannot roll over from year to year unless your employer has adopted the rollover provision. Any unspent dollars left over in your FSA at the end of the plan year will be forfeited.
- Once-a-year-election rule: you can only enroll in a Limited Purpose Health FSA once a year unless you experience a change in status (i.e. marriage, divorce, birth of a child).
- Health FSA Rollover: if your employer elects this option, participants who sign up for the Limited Purpose Health FSA can now roll over up to \$500 of unused funds into the next plan year. Please note this provision applies only to the Limited Purpose Health FSA and the regular Health FSA.

What is the benefit of enrolling in a Limited Purpose Health FSA?

A Limited Purpose Health FSA is a great way to save additional money on eligible expenses. Many HSA participants save their funds to help cover the cost of their medical expenses when they retire. By enrolling in a Limited Purpose Health FSA, participants can use pre-tax dollars to pay for eligible expenses and save their HSA contributions for retirement.

What is a Health Savings Account (HSA)?

An HSA is a tax-exempt account where contributions earn interest to pay for medical expenses even after retirement. Funds in this account can be contributed by anyone and contributions are tax deductible. Funds roll over from year to year, and you withdraw your money tax-free at any time to pay for eligible medical expenses as determined by the IRS. HSA account holders can keep the account if they change employers.

2020 HSA CONTRIBUTION AMOUNTS

HSA Annual Contribution Limits	Single: \$3,550 Family: \$7,100
HSA Minimum Deductible	Single: \$1,400 Family: \$2,800
HSA Maximum Out-of-Pocket Expenses	Single: \$6,900 Family: \$13,800