

LIMITED PURPOSE FLEXIBLE SPENDING ACCOUNT



WE MAKE
THE COMPLEX
SIMPLE

HELPS YOU SAVE MONEY FOR THE FUTURE

A Limited Purpose Flexible Spending Account (LPFSA) deals with how the FSA is treated in conjunction with health savings accounts (HSAs).

You can use a LPFSA to pay for eligible out-of-pocket dental and vision expenses such as:

- Dental and orthodontia care like fillings, X-rays and braces
- Vision care to include eyeglasses, contact lenses and LASIK surgery

You cannot use a LPFSA for medical expenses. You also cannot have a general purpose Healthcare FSA with an HSA and LPFSAs do not apply to expenses covered under Dependent Care FSAs.

How do you know if a LPFSA is right for you? To help you decide, consider the following:

- If you enroll in a LPFSA, you decide how much of your salary to contribute, up to the IRS limit.
- Your employer will deduct your LPFSA contributions from your paycheck on a pretax basis. This added advantage helps lower your taxable income.
- By using your LPFSA funds for eligible dental and vision expenses, you can save your HSA funds for future medical needs or retirement.
- To decide if you would benefit from a LPFSA and determine how much to set aside, review dental and vision expenses for you, your spouse and/or dependents from the last year and think about what you expect to spend this year. You can use the LPFSA funds for eligible expenses incurred by you, your spouse and your dependents.
- Plan carefully because the LPFSA has a “use-it-or-lose-it rule” unless your employer has elected an optional rollover of up to \$500. Any contributions not used by the end of the plan year will be forfeited. If your employer sponsored plan has a grace period, you have an additional 2 months and 15 days (after the plan year) to use your funds. Also, if your employer plan allows for a “run-out” period, you will have additional days (after the end of your plan year) to submit claims for reimbursement. Your employer can provide details about the grace and run-out periods.

Tips on using your LPFSA funds:

- There are several options for paying for eligible expenses using funds in your LPFSA:
 - One option is with cash, check or personal credit card. Then submit an online claim for reimbursement or complete a paper claim form and email, fax or mail it to us. You must include the Explanation of Benefits (EOB) from your insurance carrier. If you have an expense that did not go through insurance, you'll have to include the detailed receipt. You can have your reimbursement deposited directly into your bank account by setting up that option online through Sterling or we can send you a check.
 - If your employer allows use of a Sterling issued debit card for your HSA and LPFSA, you must have a different debit card for each type of account. Once you use up your LPFSA funds, your eligible expenses will be deducted from your HSA balance.
- Managing your accounts online is easy! You can access your LPFSA and HSA online at www.sterlingadministration.com, including mobile access.

Need more information? Contact customer service at 800-617-4729 or customer.service@sterlingadministration.com. Representatives are available Monday – Friday from 8 am – 6 pm Pacific time.