

**Limited Purpose Health FSA**  
**For Employees Contributing to a Health Savings Account (HSA)**



**Maximize your tax savings** by enrolling in a **Limited Purpose Health FSA**! A Limited Purpose Health FSA reimburses only **dental** and **vision** expenses. Such expenses include, but are not limited to, cleanings, fillings, dentures, orthodontia (*contact us for details!*), glasses, contact lenses, and Lasik.

If you currently contribute to a Health Savings Account (HSA), IRS regulations do not allow you to participate in a General Purpose Health FSA that reimburses any Section 213 medical expense. However, HSA participants can enroll in a Limited Purpose FSA that reimburses only dental and vision expenses.

**Why shouldn't I just pay my dental and vision expenses through my HSA?**

While you can do so, some employees value the ability to pay for dental and vision expenses through the Limited Health FSA because they want to preserve their HSA funds for other uses.

- Large expenses like orthodontia and Lasik eye surgery can deplete the HSA in a hurry!
- Some participants need all of their HSA contributions to pay for deductibles and prescriptions.
- A growing number of individuals choose to save their HSA funds to use for health expenses after retirement.

Another key advantage of the Limited Health FSA is that you have your full annual election available to you immediately. This may be helpful if you are anticipating a large dental or vision expense early in the plan year. HSA funds are not available until the contributions have been made to your account.

**Is a Limited Health FSA right for me?**

Like a General Purpose Health FSA, unused funds in a Limited Purpose Health FSA are forfeited unless your plan has adopted a provision that allows the carryover of up to \$500 to the next plan year. For this reason, you may not want to enroll in a Limited Health FSA unless you plan to contribute the full annual maximum to your HSA – then you can maximize your tax savings! The 2020 federal HSA contribution limit is \$3,550 per individual or \$7,100 per family. Keep in mind that any employer contributions to your HSA are counted toward this federal maximum.

After careful planning, you may determine that a Limited Purpose Health FSA is right for you!