



Innovative Business Consultants

# Limited Purpose Flexible Spending Account

## Adding to your HSA: With a Limited Purpose Flexible Spending Account

Using a Limited Purpose Flexible Spending Account (LPFSA) along with your HSA is an innovative way to increase your tax benefits and keep your money. If eligible, an LPFSA acts similar to a general Flexible Spending Account (FSA) with a few more flexible options on where you can spend your money. You use before-tax dollars in your LPFSA to reimburse yourself for eligible out-of-pocket medical expenses. That means you can enjoy tax savings and increased take-home pay—all with the convenience of a Card. And that makes real sense.

### WHAT IS A LPFSA?

Here's how a limited-purpose FSA works. Money is set aside from your paycheck before taxes are taken out, just like other standard healthcare plans. You can then use your pre-tax LPFSA dollars to pay for eligible vision or dental expenses throughout the plan year. All other medical expenses can be taken from your HSA account. This way, you save money on expenses you're already paying for, like dental checkups, vision exams, eyeglasses, and much more. The amount of your pay that goes into an LPFSA will not count as taxable income, so you will have immediate tax savings.

- A Healthcare LPFSA allows reimbursement of qualifying out-of-pocket medical expenses.
- A Limited Purpose Medical FSA works with a qualified high deductible health plan (HDHP) and Health Savings Account (HSA). A limited FSA only allows reimbursement for preventive care, vision and dental expenses.

### WITH AN HSA AND LPFSA YOU CAN:

An LPFSA is a great way to pay for expenses with pre-tax dollars.

- Enjoy significant tax savings with pre-tax deductible contributions and tax-free distributions used for qualified plan expenses
- Quickly and easily access funds using the Card at point of sale, or request to have funds directly deposited to your bank account via online or mobile app
- Reduce filing hassles and paperwork by using your Card
- Enjoy secure access to accounts using a convenient Consumer Portal available 24/7/365
- Manage your HSA and LPFSA “on the go” with an easy-to-use mobile app
- File claims easily online (when required) and let the system determine approval based on eligibility and availability of funds
- Stay up to date on balances and action required with automated email alert and convenient portal and mobile home page messages

In addition, you'll receive a Debit Card to make it easy to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account, so there are no out-of-pocket costs and you won't have to submit receipts to verify the purchase. Just swipe the card and go. It's that easy!

## WHY HAVE AN HSA AND LPFSA?

An LPFSA is a great way to pay for expenses with pre-tax dollars without the restrictions of a standard FSA.

An LPFSA reimburses you for your dental and vision expenses only and, if you also have an HSA, those expenses will be deducted from the LPFSA first.

The HSA covers all eligible health care expenses including medical, prescription, dental, and vision.

A Healthcare HSA and LPFSA could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

At [Innovative Business Consultants](#), delivering easy-to-use solutions backed by the highest levels of service is our top priority. We offer a cloud computing solution, designed to provide you and your employees with the functionality, reliability, and integration you need. And, you can be assured we'll support you with the highest levels of IT expertise and regular additions of new, productivity-enhancing features.

**Interested in learning more about Innovative Business Consultants healthcare account solutions? Call or contact us to find out how we can help.**



412 Water Street

Sioux City, IA

712-277-2424