



# Limited Purpose FSA

## FAQ's

### 1. **What is a limited-purpose flexible spending account?**

A limited-purpose flexible spending account (referred to as a limited-purpose FSA) is much like a typical, general-purpose health FSA. However, under a limited-purpose FSA, eligible expenses are limited to qualifying dental and vision expenses for you, your spouse, and your eligible dependents.

Here's how a limited-purpose FSA works. Money is set aside from your paycheck before taxes are taken out. You can then use your pre-tax FSA dollars to pay for eligible vision or dental expenses throughout the plan year. You save money on expenses you're already paying for, like dental checkups, vision exams, eyeglasses, and much more.

### 2. **Why is my FSA a limited-purpose FSA?**

IRS rules do not allow you to contribute to a health savings account (HSA) if you are covered by any non-qualifying health plan, including a general-purpose health FSA. By limiting FSA reimbursements to dental and vision care expenses, you (or your spouse) remain eligible to participate in both a limited-purpose FSA and an HSA. Participating in both plans allows you to maximize your savings and tax benefits.

**Please Note:** Employees who are not covered by the Town's medical insurance are still eligible for a regular FSA.

### 3. **What expenses are eligible under a limited-purpose FSA?**

A limited-purpose FSA covers qualified out-of-pocket expenses for dental or vision care provided to you, your spouse, or dependents. Typical eligible expenses include:

#### **Qualified Dental Expenses**

- Cleaning
- Fillings
- Crowns
- Braces

#### **Qualified Vision Expenses**

- Contact lenses
- Eyeglasses
- Eye exams
- Vision correction procedures

These expenses are defined by IRS rules and the Town's Plan.

**4. How do I find my current balance of my FSA?**

You can log-in to your FSA account by going to <https://www.mywealthcareonline.com/londonhealth/> or contact London Health at 401-435-4700 Option #3

**5. I have a question, who can I call?**

London Health is our FSA Administrators and their contact information is 401-435-4700 Option #3.

You may also contact Human Resources at 401-348-2537..