

# How Pete saves more with two health accounts

Limited purpose flexible spending account



## What is the advantage of having an Optum Financial limited purpose FSA?

A limited purpose flexible spending account is like a medical flexible spending account, except that eligible expenses are limited to dental and vision.

By limiting FSA reimbursements to dental and vision care expenses, you (and your eligible dependents) can have both a limited purpose FSA and a health savings account. Participating in both plans allows you to maximize your savings and tax benefits.

## Pete's health accounts work together

Pete has an HSA that he uses to plan, save and pay for current and future qualified health care expenses. His employer also offers a limited purpose FSA. Although HSA funds can be used as well, Pete decides to contribute to a limited purpose FSA to cover eligible dental and vision expenses for the year. This allows him to preserve his HSA dollars for future medical expenses.

Pete reviews the list of eligible expenses and determines what he needs to contribute to his limited purpose FSA to cover his family's vision and dental needs. Pete's annual election is deducted before taxes and may be withdrawn throughout the plan year. His full election amount is available for reimbursement at the start of the plan year.

## Pete can save an additional \$941 in taxes

Pete estimates that new eyeglasses and dental work will cost about \$2,500. He decides to have this amount deducted from his paycheck over the year, before taxes. With a \$2,500 election to his limited purpose FSA, his tax savings add up. Even if he leaves a few dollars in his account at the end of the year, he may save more in taxes.



Hypothetical example is for illustration purposes only. Costs, circumstances and tax rates may vary.

**Pete wears contacts. Now he needs new eyeglasses and dental surgery.**



## It's easy to pay for expenses

The Optum payment Mastercard® is fast and convenient.

- Use it at any dental clinic or vision center that accepts Mastercard®.
- No paper claims forms. No out-of-pocket costs. No waiting for reimbursements.
- Card transactions happen in real time.

Or, Pete can pay with cash, a personal check or credit card, and then submit a claim online at [optumbank.com/tennessee](http://optumbank.com/tennessee) or on the mobile app. Pete can also ask Optum Financial to deposit reimbursements for claims directly into his savings or checking account.

Here’s what you should know about your Optum Financial limited purpose FSA and how it works with your HSA

- The total amount you decide to contribute to your limited purpose FSA is available at the start of the plan year or shortly after you enroll. The funds you contribute to your HSA are available as they are deposited.
- Your FSA contribution amount cannot be changed unless there is a change in status. A change in contribution amount to your HSA does not require a status change.
- Unused funds in your limited purpose FSA greater than \$640 are forfeited at the end of the plan year, but any balance of \$640 or less can be carried over into the next plan year. If you leave your employer, COBRA may apply. Your HSA funds roll over year after year and are yours to keep, even if you leave the company or retire.

Examples of a limited purpose FSA eligible expenses	What expenses are not covered under a limited purpose FSA?
<ul style="list-style-type: none"><li>• Visits to the dentist</li><li>• Copays and out of pocket cost for dental and vision services</li><li>• Braces</li><li>• Eye exams</li><li>• Contact lenses</li><li>• Lasik eye surgery</li><li>• Prescription eyeglasses</li><li>• Reading glasses</li><li>• Some transportation and travel expenses for person receiving dental or vision care</li></ul>	<ul style="list-style-type: none"><li>• Dental whitening procedures and kits</li><li>• Insurance premiums</li><li>• Medical expenses, including deductibles, coinsurance and copays</li><li>• Alcohol and drug rehab expenses</li><li>• Prescription medicines</li><li>• Over-the-counter medicines</li><li>• Cosmetic procedures</li><li>• Expenses for services incurred after the plan year</li></ul>



It’s simple for Pete to manage his limited purpose FSA

Optum Financial gives Pete the resources he needs to make the most of his health care dollars. He can sign in to his account any time at [optumbank.com/tennessee](https://optumbank.com/tennessee) or through the mobile app. He can upload a receipt, check his balance or get messages.



[optumbank.com/tennessee](https://optumbank.com/tennessee)

Pete is a fictitious individual used to illustrate Optum Financial programs and services.

Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. or ConnectYourCare, LLC, and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer-Sponsored Plan are not FDIC insured.

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