

Limited Flexible Spending Account (Limited FSA)

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What is a Limited FSA?

A Limited Flexible Spending Account is a flexible spending account option for employees enrolled in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), or whose spouse is enrolled in a HDHP with an HSA. The Limited FSA is limited to eligible dental and vision expenses only. Under IRS rules, you are not eligible to contribute to an HSA and be enrolled in a General Purpose general FSA at the same time.

You can set aside up to the maximum amount allowed by your Employer (typically the same limit as the health/general purpose FSA). The full election will be available to you the first day of the Plan Year, or the first day when you are eligible to use the benefit.

Limited FSA Eligible Expenses

Expenses are limited to dental and vision care services and products that meet the IRS definition of medical care.

Eligible items include:

Dental Expenses

- Cleanings
- Fillings
- X-Rays
- Crowns & Bridges
- Orthodontic services
- Periodontics

Vision Expenses

- Eye exams
- Prescription eyeglasses
- Prescription contacts and supplies
- Cataract Surgery
- Laser Eye Surgery
- LASIK

A full listing of possible qualified items is available at our website.

Cosmetic services - whether dental or vision related - are not eligible expenses. All of the other medical expenses normally eligible under a General Purpose FSA are not eligible for reimbursement under the Limited FSA.

How Does a Limited FSA Save Me Money?

Since the Limited FSA is a **Flexible Spending Account (FSA)** it allows you to use tax-free dollars from your paycheck to pay for qualified dental and vision expenses.. Contributions made to the Limited FSA are free from federal income tax, social security tax and most state taxes.

By using a Limited FSA, you can preserve the funds in your Health Savings Account to use for other purposes, including simply saving those funds for the future. Since the full Limited FSA election will be available to you upfront, you have access to those funds right away and for your eligible out-of-pocket dental and vision care expenses. You are able to use the funds when you need them and will

Important Limited FSA Notes

- You may only change your FSA election and contribution amount if you have a qualified change in status. A qualified change in status would include change in marital status, change in number of dependents, or change in employment status. If you believe you qualify for an election change, please contact your Employer.
- Eligible expenses must be incurred within your Employer's plan year. The IRS considers an expense to be "incurred" at the time you receive care, service or supply. The incurred date is not when you are billed or pay for the expense.
- Unused funds are forfeited after the end of the Plan Year, so only budget for the funds you know you and your family will spend during the Plan Year. Ask if your Employer's FSA Plan offers the optional 2 1/2 month flexible spending extension or the Carryover provision for the FSA.
- If you terminate employment you will have a set period of time (typically 90 days) where you may still request reimbursement for qualified expenses incurred prior to your termination date. Check with your Employer for additional rights provided by your specific plan.
- You are not required to enroll in your Employer's health insurance plan in order to participate in the FSA (eligibility rules will vary by Employer).

The BMS FSA Debit Card is a convenient way to pay for your expenses. With the FSA Debit Card you do not have to submit a claim for reimbursement; your purchase is automatically deducted from the balance on your account.



Be prepared to submit receipts per IRS requirements. Contact your Employer or BMS LLC for information on receipt verification and submissions when using the FSA Debit Card. You may also pay out-of-pocket for your expenses and then submit a completed reimbursement claim form along with valid receipts to BMS to receive reimbursement via check or free direct deposit to your personal bank account.

HSA Compatible Flexible Spending Account for Dental and Vision Expenses ONLY