



Limited Purpose FSA

A Limited Purpose (or Limited Scope) FSA is a saving option for employees that are enrolled in a Health Savings Account (HSA). The Limited Purpose FSA works the same way a standard FSA does: pre-tax, "use it or lose it" elections, and expenses must occur within the plan year. The difference is that it limits what expenses are eligible for reimbursement. In a Limited Purpose FSA you can only submit claims for eligible vision and dental expenses. (Remember: Cosmetic procedures such as teeth bleaching are not eligible under any Flexible Spending Accounts.)

Expenses that can be reimbursed under a Limited Purpose Health FSA:

Following is a list of some expenses normally reimbursable under a Limited-Purpose Non-reimbursed Medical Spending Account, when incurred during the Plan year, by the employee, the employee's spouse, and/or the employee's dependent(s).

Dental Care



- Examinations
- Dental implants
- Bridges
- Periodontal services
- Crowns
- Fillings
- Occlusal guards to prevent teeth grinding
- Orthodontia (as services are incurred – not when paid)
- Dentures

Vision Care



- Examinations
- Glasses
- Laser eye surgery
- Prescription sunglasses
- Contacts (including materials and equipment needed for using lenses, such as saline solution and enzyme cleaner)

Once the employee satisfies the deductible for the high deductible health plan, the employee may be reimbursed for any medical expense(s) incurred, by the employee, the spouse, and/or the dependent(s), during the remainder of the Plan year.

To be eligible for reimbursement, the expense(s) must not have been reimbursed, and will not be reimbursed, under any other health plan coverage. These expenses can not be deducted or taken as tax credits on your personal federal and state income tax returns for any year.

What if an expense is eligible for reimbursement under both my FSA and HSA?

You may not use funds from both your limited-purpose FSA and your HSA to cover the same eligible expense. Since there's no double-dipping allowed, you must choose which account will reimburse your expense.

Is there a limit to how much I can contribute to my limited-purpose FSA?

Yes. As a result of the Affordable Care Act, employee contributions have been capped for limited-purpose FSA plans.