



WHY DO I NEED...

A Limited FSA?



WHAT IS IT?

A **Limited Flexible Spending Account (Limited FSA)** allows you to pay for vision and dental services with tax-free money, and is typically elected alongside a Health Savings Account (HSA), which requires that you have HSA-compatible health coverage.



WHAT IS IT USED FOR?

A Limited FSA can only be used to pay for qualified vision and dental expenses, including orthodontia services and some over-the-counter drugs and medicines. You cannot use a Limited FSA for health payments such as copayments, coinsurance, or your deductible.



HOW DO I SAVE MONEY?

A Limited FSA allows you to set aside money from your paycheck before it is taxed. The IRS limits how much you can set aside in an account each year – however, the more you put in an account, the greater your savings.



TAX SAVINGS EXAMPLE

You choose to elect \$1,500. You are taxed at a rate of 30%. Over the course of the plan year, you save \$450.*

EXAMPLE SAVINGS CALCULATION

$$\text{\$1,500 / year} \times \text{30\% tax rate} = \text{\$450 / year in savings}^*$$

CALCULATE YOUR SAVINGS

$$\text{Annual Election} \times \text{Tax Rate} = \text{Annual Savings}$$

$$\text{\$} \underline{\hspace{2cm}} \times \underline{\hspace{2cm}}\% = \underline{\hspace{2cm}}$$

*For illustration purposes only. Individual tax rates and maximum limits apply.

WHY DO I NEED THIS PLAN?

A Limited FSA is a great partner plan if you have or want to enroll in a Health Savings Account. The full annual election is available at the beginning of the plan year, allowing you to save on dental and vision costs while letting funds build in your HSA.



For more information, visit BenefitResource.com