

Limited Purpose Flexible Spending Account Frequently Asked Questions

What is a limited purpose flexible spending account?

It's also known as an LPLPFSAs and it's part of your benefits package. The LPLPFSAs is paired with a Health Savings Account (HSA). If you are enrolled in an HSA, you can use pre-tax dollars to pay for eligible dental and vision expenses for you, your spouse, and your eligible dependents.

Here's how an LPLPFSAs works. Money is set aside from your paycheck before taxes are taken out. You can then use these funds to pay for eligible dental and vision care expenses only throughout the plan year. You save money on expenses you're already paying for like orthodontia, dental and vision office visits, glasses, contacts and much more.

Why is it a good idea to have a limited purpose LPFSA?

LPLPFSAs benefit everyone – whether you're single, have a family or are soon-to-be retired. Setting aside pre-tax dollars means you pay fewer taxes and increase your take-home pay. You also save money on eligible expenses that you're paying for out of your pocket. How much you save depends on your tax bracket.

For Example, if you're in the 30 percent tax bracket, you can save \$30 on every \$100 spent on eligible expenses, like dental checkups and eyeglasses. Find a full list of eligible limited purpose FSA expenses on anthem.com.

What expenses are covered under a LPFSA?

Only "eligible dental and vision expenses" can be reimbursed under the LPFSA. These expenses are defined by IRS rules and your employer's plan. You can learn about your plan by reading the Summary Plan Description (SPD).

Eligible LPFSA expenses are those dental and vision expenses that you pay for out of your pocket when you, your spouse, or eligible dependents get dental or vision care.

You can find a list of eligible expenses online at gme.anthem.com.

The list of eligible expenses is based on IRS rules. Here are some other IRS rules you should know about:

- **No double dipping** – Expenses reimbursed under your LPFSA cannot be reimbursed under any other plan or program. Only your out-of-pocket vision and dental expenses can be reimbursed. Plus, expenses reimbursed under a LPFSA may not be deducted when you file your tax return.
- **Timing is everything** – LPFSAs have a start date and an end date, and the time in between is called the plan year. Expenses must be incurred during the LPFSA plan year. This means the date of service must be within the current plan year and not when you pay for the service.

Can I use my LPFSA for over-the-counter dental and vision expenses?

Yes, eligible over-the-counter dental and vision expenses are reimbursable for you, your spouse, or eligible dependents. Example, eye drops.

Note: When using your debit card for an over-the-counter expense, it will automatically pay from your HSA account. To have this amount pay from your LPFSA, you must submit an itemized receipt for the transaction. You can call customer support at 855.285.4212 and they can assist with this process.

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Can I use my LPFSA for RX dental and vision expenses?

Yes, eligible RX dental and vision expenses are reimbursable for you, your spouse, or eligible dependents.

Note: When using your debit card for RX dental and vision expenses, it will automatically pay from your HSA account. To have this amount pay from your LPFSA, you must submit an itemized receipt for the transaction. You can call customer support at 855.285.4212 and they can assist with this process.

What expenses are not covered under a LPFSA?

Expenses that are not approved are called “ineligible expenses”. Ineligible LPFSA expenses include:

- Cosmetic dentistry surgery and procedures, including teeth whitening
- Services that take place before or after your coverage period
- Expenses that are reimbursed by another plan or program, including a health savings account

These are only a few examples of expenses that aren't covered by a LPFSA. You can find a list of eligible expenses online at gme.anthem.com.

How do I use my LPFSA for orthodontic services?

These services aren't provided the same way as other types of care. Most of the time, they're provided over a long period of time and may extend beyond the plan year. Orthodontic services tend to be hard to match up with actual costs. As a result, the reimbursement process is different. You have two ways to be reimbursed:

1. **Entire cost of treatment** – This method allows you to be reimbursed for the full amount of the orthodontia contract. You can do this only if you paid the full amount during the plan year. To get reimbursed, send in these items:
 - Completed reimbursement request form
 - Proof of payment for the entire contract, including start date and expected end date
 - Proof of payment made during the applicable plan year in which you are requesting reimbursement
2. **Monthly approach** – This method allows you to be reimbursed for the first round of treatment (usually called banding fees) and then monthly reimbursement after that. To get reimbursed for banding fees, submit:
 - Completed reimbursement request form
 - Your treatment plan or itemized statement that includes the start date and the expected end date
 - Proof of the initial down payment

After you submit the first reimbursement request, send in these items for monthly reimbursement:

- Completed reimbursement request form
- An itemized statement or monthly coupons from the orthodontist
- Proof of the monthly payment

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Is there a limit to how much I can contribute to my LPFSA?

Yes. The current annual limit is \$3,300, and you cannot contribute more than this amount. However, your plan may have an annual limit that is less. Please review your SPD to find out the annual limit for your plan.

Is there a limit to how much my employer can contribute to my LPFSA?

The statutory \$3,300 limit does not apply to certain non-elective employer contributions made to an employee's LPFSA. It also does not apply to contributions made to other types of FSAs (such as dependent care (DCA), health savings accounts (HSAs), or health reimbursement arrangements (HRAs)).

Can my spouse also contribute to an LPFSA?

Yes, if your spouse is eligible to make contributions to a LPFSA. Each spouse may contribute up to the \$3,300 maximum limit to their own LPFSA. This applies even if both spouses participate in the same LPFSA plan sponsored by the same employer.

How much money is available during the plan year?

The amount you put into your LPFSA is called an "annual election". Your entire LPFSA election is available on the first day of the plan year. If your LPFSA is active, your available funds decrease as your claims are paid. You can find your available funds by logging in to your account at anthem.com or the Sydney Health app.

How do I keep track of my account activity?

Your account information is available anytime day or night by logging in to anthem.com or Sydney Health app. You can find:

- Real-time account balance
- Claim status
- Reimbursement payment history

Where can I get a claim form or submit for reimbursement?

This form is available at anthem.com or Sydney Health app

- Log in at www.anthem.com
- Go to My Plan
- Then Spending Accounts
- Manage My Account
- Submit a Claim

What do I need to submit along with a reimbursement form?

You must save all itemized receipts and other supporting documentation for every LPFSA expense. Try to keep all of your documentation filed in an envelope or box. What you'll need:

- **For dental and vision office visits** – Your plan's Explanation of Benefits (EOB) statement or an itemized receipt or bill from the provider. It should have the patient's name, a description of the service, the date of service, and your share of the charge.

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Credit card receipts, canceled checks, and balance forward statements do not meet the requirements for acceptable documentation.

What happens if I have funds left in my LPFSA at the end of the plan year?

It depends on the rules for your employer's LPFSA plan. Your employer decides the features included in your LPFSA plan, and the way your LPFSA plan is set up determines if you can use funds left in your account after the plan year ends. The SPD indicates the LPFSA rule set for your plan. Check the SPD for details for your current offering which is currently Runout.

What is a run-out period?

It's a set number of days after the plan year ends that allows you to submit claims for eligible expenses incurred during the plan year. Your plan's time frame for the run-out period is 90 days.

What is the "use-it-or-lose-it" rule?

The IRS created this rule, which states that all money left in your LPFSA is forfeited after the plan year ends, or if applicable, after the run-out period.

The unused portion of your LPFSA cannot be paid to you in cash or other benefits, and you can't transfer money between LPFSAs. To reduce your risk of losing money at the end of the plan year, carefully estimate your expenses when choosing your annual election amount.

Can I change my election amount?

Your election can't be changed during the plan year unless you have a change in status or other qualified event (defined by IRS rules). Your employer's plan must also allow the change. A qualified change in status event includes:

- A change in legal marital status (marriage, divorce, or death of your spouse)
- A change in the number of your dependents (birth or adoption of child, or death of a dependent)
- A change in employment status of you, your spouse, or dependent
- An event causing your dependent to satisfy or cease to satisfy an eligibility requirement for benefits
- A change in residence of you, your spouse, or dependent

Two things need to happen for an election change to be allowed. First, you must have a change in status or other qualified event. Second, your requested change must be consistent with the event. For example, if you have a baby, you could increase or decrease your LPFSA contribution. Please see your SPD for more about other qualified changes, consistency requirements, and exception that may apply.

Please note: All of this assumes that your employer's plan allows all changes permitted under the IRS rules. An employer may restrict mid-year election changes by the way the plan is set up. Please see your SPD for specific rules that apply to your plan. IF you have a change in status or other qualified event, contact your human resources or benefits representative for the forms you'll need to fill out.

What happens if I stop working for this employer?

If you stop working for your employer or you lose your LPFSA eligibility. Your plan participation and your pre-tax contributions will end automatically. Expenses for services you have after your termination date are not eligible for reimbursement.

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You may be entitled to elect COBRA continuation coverage under the LPFSA and receive reimbursement for qualified expenses incurred after your termination, but only if you continue to make the required LPFSA COBRA premium payment. However, you generally do not have the right to elect COBRA continuation coverage if the cost of COBRA continuation coverage for the remainder of the plan year equals or is more than the amount left in your LPFSA. Please see your SPD for specific rules that apply to your LPFSA plan.

Who do I contact if I have questions about my DCA?

If you have questions, send us an email through the Message Center at anthem.com or call us at the Member Services number on your ID card.