

# LPFSA 101

## State Employer Training

It's Your Choice High Limited Purpose Flexible Spending Account

Plan Year 2018



# Overview

High Deductible  
Health Plan  
(HDHP)

Health Savings  
Account  
(HSA)

Limited Purpose  
Flexible Spending  
Account  
(LPFSA)

Eligibility

Resources

State Only

# Overview



# What is an LPFSA?



Pre-tax benefit used to pay for eligible dental and vision expenses



Pays for eligible post-deductible medical expenses



Paired with an IYC HDHP



Paired with state-sponsored HSA

# Eligibility

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# Eligibility Considerations

Employees who are **not** enrolled in an IYC HDHP are **not** eligible

Most full-time or part-time state and university employees are eligible to participate

Cannot be paired with Health Care FSA

Participation in an HSA and/or LPFSA has no bearing on participation in the Dependent Day Care FSA, Parking Account, and Transit Account

# Annual Contribution Limits

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# Annual LPFSA Limits

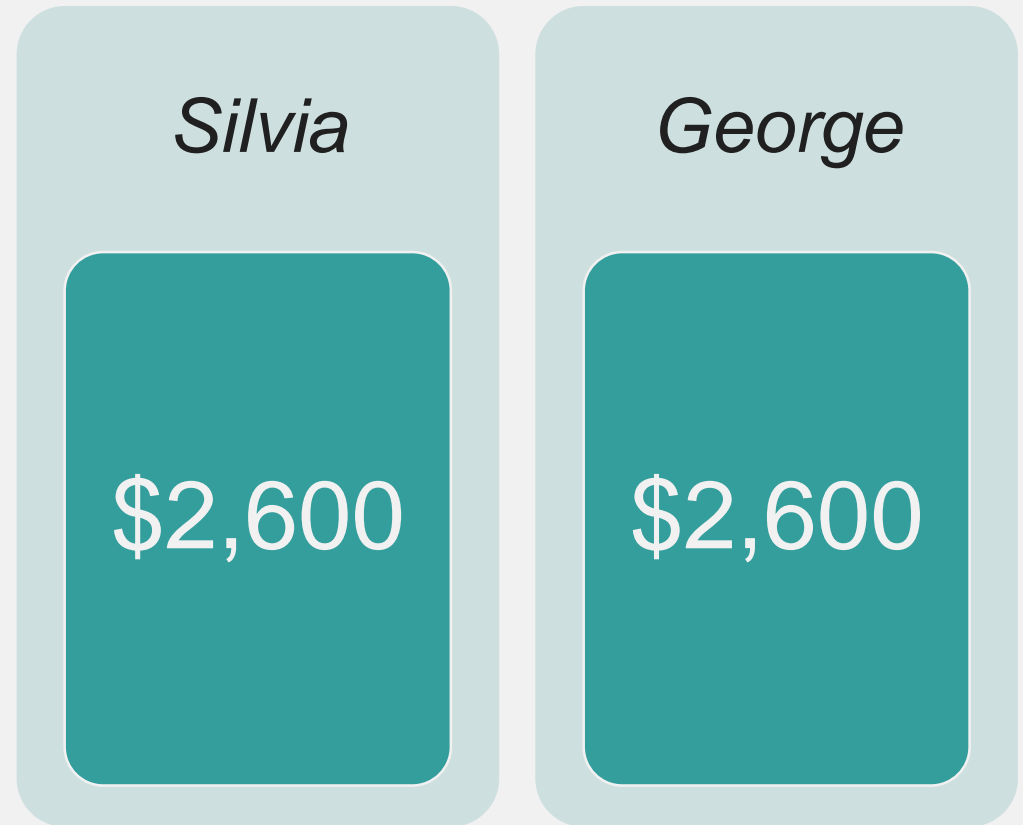
Annual LPFSA Limits	2018	2017
LPFSA Contribution Limit	\$2,600	\$2,550
Annual Carryover Amount Limit	\$500	\$500

- The Internal Revenue Service (IRS) determines annual limits
- The \$2,600 contribution limit applies on an employee-by-employee basis
- Any unused funds over \$500 at the end of the plan year are not refundable



# Employee-by-Employee Basis

- Annual limit applies to each employee per plan year – regardless of number of other individuals whose medical expenses are reimbursable
- If two spouses are eligible, each may elect to make contributions up to \$2,600



# Annual Contribution Elections

- Members may wish to be conservative when making annual elections
- May only change elections during plan year if they experience a qualified life change event



# How It Works

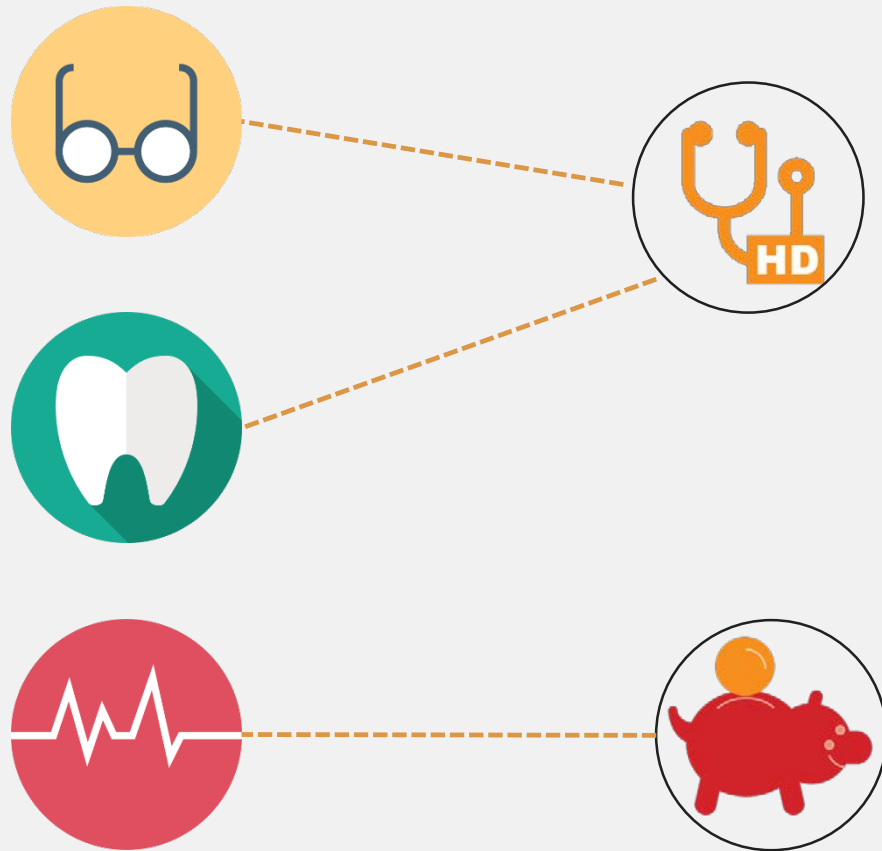
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# How Does an LPFSA Work?

- The **total** annual LPFSA contribution amount is available **immediately** at the start of the plan year
- The annual contribution is deducted pre-tax from the member's paycheck in equal amounts throughout the plan year
- Payroll deductions are attributed to the member's LPFSA

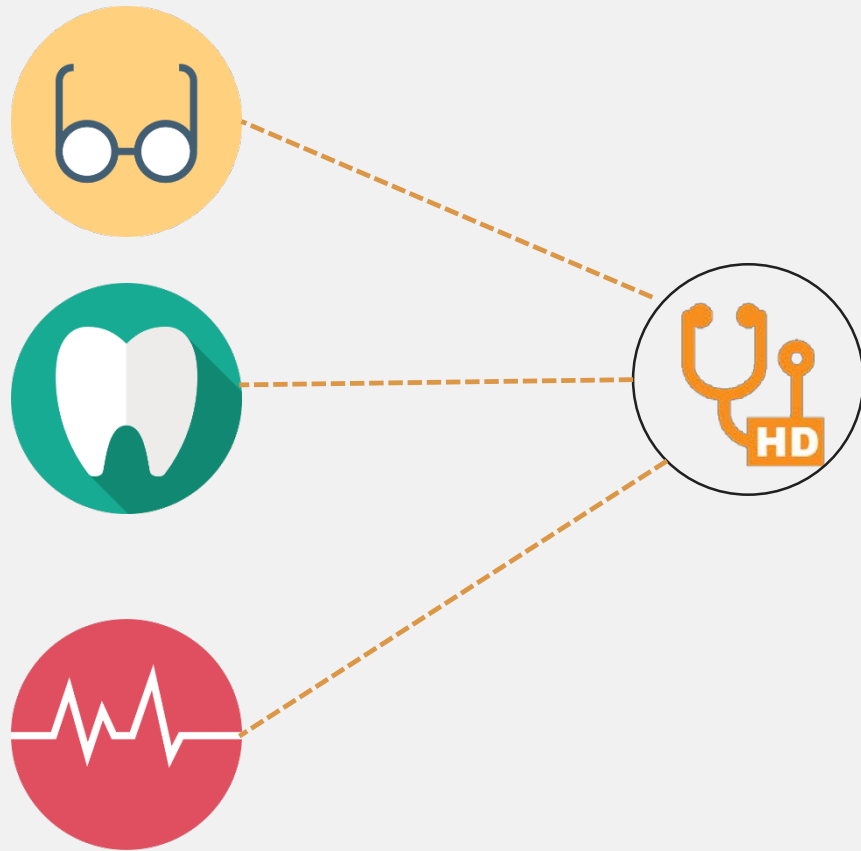


# Pre-Deductible



- Use the **LPFSA** to pay for eligible **dental** and **vision** expenses
- Use **HSA** funds to pay for eligible **medical** expenses
- Save HSA funds for future expenses

# Post-Deductible



- Use **LPFSA** funds to pay for eligible vision, dental, **and** medical expenses
- Eligible and ineligible expenses are the same for the HSA and LPFSA

# HSA Benefits



Account  
portability



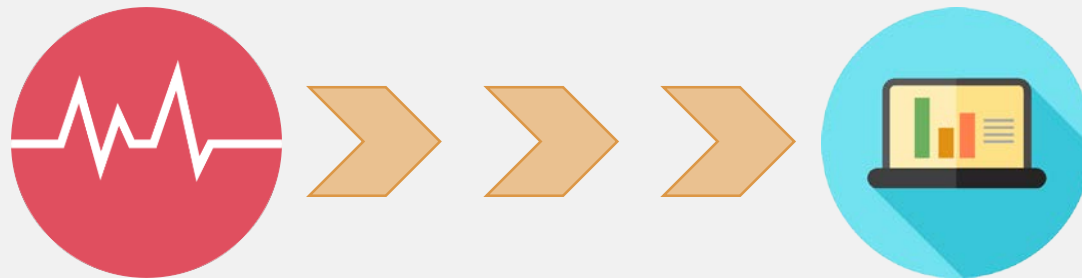
HSA funds carry  
over year-to-year



Investment  
opportunities

# Post-Deductible Payments

- Post-deductible medical expenses **must** be submitted online via the member's TASC Online account.
- If a post-deductible member pays for an eligible medical expense with their TASC card, the funds will be deducted from the member's HSA
- The member can continue to use to their TASC card to pay for eligible dental and vision expenses with funds from their LPFSA





# LPFSA Recap



Dental & vision  
pre-deductible



Post-deductible  
eligible expenses  
same as HSA



\$500 annual  
carryover limit



Use LPFSA funds  
to maximize HSA  
savings

# Eligible Expenses

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# Eligible Expenses

Once a member has contributed money to their LPFSA, they can use it to pay for eligible pre-deductible dental and vision expenses

Eligible expenses are a health care service, treatment, or item that the IRS states can be paid for without taxes

Members should keep all receipts and pertinent documentation



# Eligible Dental Expenses

Below is **partial** list of eligible expenses that are reimbursable through an LPFSA

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Cleanings and exams</li><li>• Crowns and bridges</li><li>• Dental plan co-pays</li><li>• Dental surgery</li><li>• Dental x-rays</li><li>• Dentures</li><li>• Diagnostic services</li></ul> | <ul style="list-style-type: none"><li>• Extractions</li><li>• Fillings</li><li>• Occlusal guards</li><li>• Orthodontia</li><li>• Root canals</li></ul> |
|--|--|



- *For more information, see the ERA Participant Guide*
- *For the complete list of eligible and ineligible expenses, see IRS Publications 502 or 969*

# Eligible Vision Expenses

Below is **partial** list of eligible expenses that are reimbursable through an LPFSA

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Contact lenses and lens solution</li><li>• Diagnostic services</li><li>• Eye exams / surgery</li><li>• Laser eye surgery / LASIK</li><li>• Optometrist / ophthalmologist fees</li></ul> | <ul style="list-style-type: none"><li>• Prescription eyeglasses</li><li>• Prescription sunglasses</li><li>• Seeing eye dog (<i>buying, training, and maintaining</i>)</li><li>• Vision plan co-insurance</li><li>• Vision plan deductible</li></ul> |
|---|---|



- *For more information, see ERA Participant Guide*
- *For the complete list of eligible and ineligible expenses, see IRS Publications 502 or 969*

# OTC Medicines and Drugs

- Over-the-counter (OTC) dental and vision medications and drugs **require a prescription** from a physician to be reimbursable with an LPPFSA
  - The prescription **must** be included with each request for reimbursement
  - The plan will **not** pay prescription costs until the deductible is met
- 
- *For more information, see the ERA Participant Guide*
  - *For the complete list of eligible and ineligible expenses, see IRS Publications 502 or 969*



# Ineligible Expenses

Below is **partial** list of ineligible expenses - if an LPFSA is used for anything other than qualified expenses, the amount will be taxable and a tax penalty may apply

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Elective cosmetic surgery</li><li>• Eye serums or wrinkle creams</li><li>• Insurance premiums</li></ul> | <ul style="list-style-type: none"><li>• Mouthwash</li><li>• Teeth bleaching/whitening</li><li>• Toothpaste and toothbrushes</li></ul> |
|---|---|



- *For more information, see the ERA Participant Guide*
- *\*For the complete list of eligible and ineligible expenses, see IRS Publications 502 or 969*

# Eligible Medical Expenses

Below is **partial** list of eligible expenses that are reimbursable post-deductible

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Acupuncture</li><li>• Birth control / contraceptive devices</li><li>• Blood pressure monitor</li><li>• Blood sugar test kits</li><li>• Birth classes / Lamaze*</li><li>• Chiropractic therapy</li><li>• Co-payments</li><li>• Crutches*</li><li>• Flu shots</li></ul> | <ul style="list-style-type: none"><li>• Hearing aids and batteries*</li><li>• Infertility treatments</li><li>• Physical exams</li><li>• Physical therapy*</li><li>• Sleep apnea services / products*</li><li>• Surgery</li><li>• Vaccinations</li><li>• X-ray fees</li></ul> |
|---|--|



*\*Restrictions may apply – see the ERA Participant Guide and IRS Publications 502 or 969 for more details*



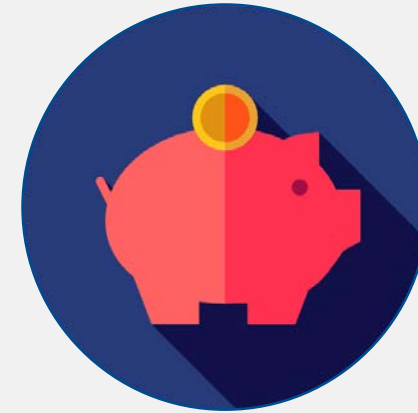
# Resources

## LPFSA 101

# Additional Training



**HDHP 101**



**HSA 101**

*Webinar Modules Available*

# Customer Service

- Members frequently have questions about their HDHP coverage, HSA and/or LPFSA accounts



*For HDHP questions, members should contact...*

- Their human resources/benefit office
- Their health plan
- ETF Member Services

*For HSA and LPFSA questions, members should contact...*

- TASC Customer Care
  - Phone – 844-786-3947 or 608-316-2408
  - Email – [1customercare@tasconline.com](mailto:1customercare@tasconline.com)

# Employer Assistance

- If a high-level question or issue arises, employers also have resources available to them



*For HDHP questions, employers should contact...*

- The health plan offering the HDHP coverage
- ETF Employer Services

*For HSA and LPFSA questions, employers should contact...*

- TASC Account Managers
  - Email – [stateofwi@tasconline.com](mailto:stateofwi@tasconline.com)

# Resources

- Several new resources are available to members for Plan Year 2018:
- **ETF**
  - 2018 HDHP eLearning
  - Your Plan Design Options eLearning
- **TASC**
  - HSA Slide Rocket
  - LPFSA Slide Rocket



# Resources

	IYC 2018 / ETF Website	TASC Landing Page
Annual It's Your Choice Open Enrollment information	✓	✗
HDHP premium rates	✓	✗
HSA contributions limits	✓	✓
Eligible expense information	✓	✓
Medical and pharmacy comparison charts	✓	✗
TASC Online Account login portal	✗	✓
HSA / ERA enrollment & welcome brochures	✓	✓
HSA / ERA participant guides	✗	✓
HSA / ERA forms and worksheets	✗	✓



**Questions?**

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# Thank you

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