

Limited Purpose Flexible Spending Accounts – REAL SAVINGS. REAL SIMPLE.

If you participate in a qualified high deductible health plan and contribute to a Health Savings Account (HSA) the IRS prohibits you and your spouse from enrolling in a traditional medical Flexible Spending Account (FSA).

Maximize your tax savings by combining your HSA with a Limited Purpose FSA.

A Limited Purpose FSA (LPFSA) offers great tax savings on eligible expenses, and does not interfere with your or your spouse's HSA eligibility. Use your LPFSA for this year's expected **Dental and Vision** expenses and allow your HSA to accumulate for future health care expenses.



Here's how it works.

Make your Limited Purpose FSA election at Open Enrollment

Choose the amount to contribute to your LPFSA for the year. You may elect up to the maximum your employer allows, but be sure to limit your election to the dollar amount that you estimate you, your spouse and your dependents will spend in the upcoming plan year on eligible expenses. Payroll deductions are made on a pre-tax basis, lowering your taxable income and saving you money.

Eligible Expenses

LPFSAs are primarily used for Dental and Vision expenses but may be used for post-deductible and preventive medical expenses as well. "Post-Deductible" refers to the federal minimum amount of deductible you must incur before the IRS will allow you to access LPFSA funds for medical expenses. This year, the minimum is \$1350 if you are enrolled with Single coverage or \$2700 if you are enrolled in a Family plan.

Reimbursements from your LPFSA

You can submit a reimbursement request up to your total election any time during the plan year. Submit claims on-line via the Participant Portal on our website. Or you can send a paper claim via mail, fax or email. If your employer offers a GDI Debit card, you may pay for your eligible expenses with the card but **save all your receipts!** IRS guidelines require GDI to substantiate many dental and vision expenses and we may request copies of your receipts.

Eligible Dental expenses include:

- Orthodontia
- Cleanings
- Fillings

Eligible Vision expenses include:

- Eye exams, eyeglasses
- Contact lenses
- Laser vision correction surgery

Ineligible expenses include cosmetic procedures, warranties, pre-payment of services not yet rendered.

For more information about electing a Limited Purpose Flexible Spending Account, speak with your Human Resources or Employee Benefits Department.

Receipts and Debit Card Substantiation

IRS Rules Govern Substantiation Requirements

The IRS established specific guidelines that require all Flexible Spending Account (FSA) transactions — even those made using a debit card — to be substantiated (verified that the purchase was an eligible medical expense). GDI is very diligent in the execution of the substantiation process to avoid adverse tax consequences to participants.

Common Misconceptions about Receipt Requirements

1. If the card is used for an eligible service, no further receipts or documentation are needed to support the expense.
2. Transactions at any doctor, dentist or vision provider will not require receipts.

These statements are **NOT TRUE!** Since not all services from a provider are eligible expenses, itemized receipts are required to verify eligibility. For example, a dentist may perform teeth whitening, which is not eligible for reimbursement.

Always Save Itemized Receipts

Participants should save their itemized receipts from every card transaction. Receipts can be uploaded to the Participant Portal from GDI's App using the camera on your mobile device! Otherwise, participants should designate an envelope or folder to store documentation in their personal files. Using this process will help find documentation if requested.

An itemized receipt includes:

- Name of person who incurred the service or expense
- Name and address of the provider or merchant
- Date of service for the amount charged
- Detailed description of the service
- Amount due for the service provided

Credit card receipts and cancelled checks are not acceptable!

Requests for Substantiation

If substantiation of a debit card transaction is required, participants will be notified by email or an alert on the Participant Portal home page. Card transactions that require substantiation are displayed through messages in both the Message Center on the home page and their account summary page. Employees may also see if a claim requires substantiation by logging into their online account or mobile app to check the status of the claim.



Type of Charge on Debit Card	Substantiation Required	No Follow-Up Required
Matched Co-pays		✓
Transactions at merchants who can electronically validate the expense at the point of sale		✓
Recurring Expenses	1 time only (annually)	No further substantiation required if subsequent transactions are at the same merchant for the same dollar amount
Dental Care	✓	
Vision Care	✓	
Medical Care	✓	