



## Limited-Purpose Flexible Spending Account

The Limited-Purpose FSA works hand-in-hand with the [Health Savings Account \(HSA\)](#), but is used for qualified dental and vision expenses only. All qualified medical and prescription drug expenses can be paid through your HSA or paid out of pocket, in order to satisfy IRS rules and allow an HSA account.

Eligible dental and vision expenses for a Limited-Purpose FSA include deductibles and copayments, your share of covered expenses, dental and orthodontia expenses, prescription glasses, contact lenses, lens cleaning solution and laser vision correction.

The Limited-Purpose FSA is administered by PayFlex and offers a benefits card; it's like a check card you can use to pay for eligible expenses at the point of service.

The Limited-Purpose FSA is the only Health Care FSA offered.

The Dependent Care FSA is still available for child day care and elder care expenses.

**NOTE:** Puerto Rico team members are not eligible to participate in the Limited-Purpose Health Care and/or Dependent Care Flexible Spending Accounts (FSAs).

### How You Save

To get your savings, you simply decide in advance how much you'll spend on these everyday items, then deposit money every paycheck into your account. The Limited Purpose FSA comes with a debit card to make it easy to pay for eligible expenses.

MINIMUM ANNUAL CONTRIBUTION	MAXIMUM ANNUAL CONTRIBUTION
\$100	2017-2018: \$2,600

### Plan Ahead

- **Look over your annual expenses.** What do you expect to spend between this July and next June on eligible dental and vision expenses? Use the Health Plan Cost Estimator to help you estimate. Sample eligible expenses include:
  - Your deductibles
  - Copays for dental or vision care visits
  - Coinsurance
  - Orthodontia
  - Eyeglasses
  - Laser vision correction
- **Use it or lose it.** The IRS requires that any money left over in your Flexible Spending Account at the end of the policy year be forfeited.

### Saving is Automatic

Once you enroll, your contributions are deducted from your paycheck in equal installments throughout the year before taxes are withheld. The exact amount of your savings depends on your tax rate. If you contribute \$2,000 to the Limited-Purpose Flexible Spending Account, file taxes as a single person and make \$40,000, you'd save about \$500 in taxes.

### Get Reimbursed

- **Use your debit card for health care.** Most dentists, optometrists and vision care centers accept debit and credit cards. When you get a bill, typically after your provider has filed paper work with the health plan, provide your debit card number. Then, submit your receipts for verification within 60 days of the expense or your card will be deactivated.
- **File a claim, and wait for reimbursement.** If you can't use the debit card, you'll be reimbursed by PayFlex. When you get a health care bill, pay it out of your pocket. Then, submit your claim to PayFlex (by fax, online or mail) and your check will be mailed to you or deposited directly into your bank account. You'll also need to submit your receipts (by fax, online or mail). The plan year for the Flexible Spending Accounts is July 1 through June 30. Keep this in mind when you determine your contribution amount for the year. You have an additional three months—until September 30—to submit your receipts for reimbursement.

### Health Savings Account vs. Limited-Purpose Flexible Spending Account

Confused by these two accounts? The HSA may be used for reimbursement of all eligible health care expenses, but the Limited-Purpose FSA is limited to reimbursement of eligible dental and vision expenses only. There are important differences between the accounts.

	HEALTH SAVINGS ACCOUNT (HSA)	LIMITED-PURPOSE FLEXIBLE SPENDING ACCOUNT
Savings for TODAY	Roll over what you don't use. Whatever money you save in your HSA is yours, so if you don't estimate perfectly, that's okay. Your balance rolls over year after year. If you're not sure that you'll have surgery this year or next, go ahead and start saving for it now. Your account will earn interest while you wait.	Plan carefully. You have to plan carefully what you save, because you have only 12 months (from this July 1 to June 30 of next year) to spend your money. FSAs are great for saving money on predictable expenses. But, if you're not sure that you'll have laser vision correction surgery this year or next, you may want to be conservative about how much money to save in your account. Remember, it's use it or lose it.
Savings for TOMORROW	Grow your account over time. Because the HSA is always yours, you can save now for future medical expenses. As we age or grow our family, hospital and doctor bills are inevitable. Wouldn't it be nice to know you had a way to prepare?	Consider other savings accounts. The Limited-Purpose Flexible Spending Account is intended only for eligible dental and vision expenses within a one-year period. So, if you know your child will need braces in a few years, you'll need to save up in your own savings account. (Or consider participating in the HSA instead!)

## Important Rules

- **12 months to use your money.** The plan year for the Flexible Spending Accounts is July 1 through June 30. Keep this in mind when you determine your contribution amount for the year. You have an additional three months—until September 30—to submit your receipts for reimbursement of expenses incurred during the plan year.
- **Save your receipts!** When you use the debit card for your Limited-Purpose Flexible Spending Account, you still need to submit your receipts for verification. If you don't submit your receipts within 60 days, your card will be deactivated.
- **Eligible expenses.** For more detailed plan information and a list of eligible and ineligible expenses, see the [Flexible Spending Accounts Summary Plan Description \(SPD\) \(/contacts-tools-resources/spdlegal-notices/\)](#). In addition, IRS Publication 502 ("Medical and Dental Expenses") provides general guidance regarding health care expenses eligible for reimbursement; IRS Publication 503 ("Child and Dependent Care Expenses") contains a detailed explanation of eligible and ineligible dependent care expenses. These publications are available on the [IRS website \(http://www.irs.gov/\)](http://www.irs.gov/) or by calling the IRS at 1-800-829-FORM (3676).
- **Possible smaller tax savings.** If you are considered a highly paid team member, maximums may be lowered after enrollment.
- **Claims after you leave the Company, no longer participate or become ineligible for the FSA.** If you leave Toys"R"Us, no longer participate in the FSA or become ineligible for benefits due to a work status change, but haven't sent in your receipts that you had before your last day of coverage, don't worry. You may not lose out. For all eligible expenses incurred through the date your employment ends, the date you no longer participate or the date you are no longer eligible, please submit claims by September 30th following the end of the current plan year. Remember, you can be reimbursed only up to the total amount you elected to contribute, minus amounts already paid to you. Any unused balance remaining in your account after all claims have been submitted will be forfeited.
- **Using your Limited-Purpose FSA debit card.** The Limited-Purpose FSA debit card is for active team members only and can't be used if you terminate employment. The Limited-Purpose FSA debit card is not available under COBRA.

## For Complete Plan Details

[See the plan SPDs \(/contacts-tools-resources/spdlegal-notices/\) \(http://www.rusbenefits.com/contacts-and-resources/spd-legal-notices\)](#)

The information on this site does not supersede plan documents. If any information on this site conflicts, the plan documents will control in all cases.

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