



VitaFlex

Limited Purpose Accounts

Contributions to a Health Savings Account (HSA)

In general, if you are currently participating in a qualified high-deductible medical plan and are either making contributions to a Health Savings Account (HSA) or having contributions made to a Health Savings Account on your behalf, then participation in a *regular* Medical Flexible Spending Account will disqualify you from making contributions to your HSA. However, you may make an election to change your *regular* Medical Flexible Spending Account into a *Limited Purpose* Medical Flexible Spending Account. A Limited Purpose Medical Flexible Spending Account restricts eligibility to those expenses that will not disqualify you from making contributions under your HSA.

What is eligible under a Limited Purpose Account?

Under a Limited Purpose account, regular medical expenses are not eligible for reimbursement until you meet the statutory minimum annual deductible. For the 2009 Plan Year, the statutory minimum annual deductible is \$1,150 for self-only coverage and \$2,300 for family coverage. When you are making an election to restrict your regular account to a Limited Purpose Account, please only take into consideration the following expenses.

- ✓ Dental
- ✓ Orthodontia
- ✓ Vision
- ✓ Preventive Care (e.g. immunizations or wellness visits)
- ✓ Post-Deductible Medical Expenses (please refer to statutory limits outlined above)

How do I elect a Limited Purpose Account?

When making your election, you must indicate through the enrollment process that you would like to elect a Limited Purpose Account. If you are contributing to an HSA and you submit medical expenses and do not notify VitaFlex of your election of a Limited Purpose Account, the reimbursements could disqualify the tax favored status of your HSA plan.

It is not the responsibility of VitaFlex to know whether or not you are contributing to an HSA. Likewise, it is not possible for VitaFlex to know whether submitting certain claims under the Plan will disqualify you under your HSA. Regardless of whether contributions to your HSA account are yours or are made on your behalf through your Employer, you are responsible for notifying VitaFlex if you wish to elect under the Limited Account provisions of this Plan.

Your election of a Limited Purpose Account applies to you and ALL dependents who are eligible to submit expenses under your Medical Reimbursement Account. Your Account may not be divided into being a Limited Purpose Account for only one eligible individual and a regular account for other individuals.

Different Plan Year Elections

Please note that any contribution into an HSA may be restricted based on the Claims Incurred Deadline election of this plan. If the Claims Incurred Deadline crosses a Plan Year, then your eligibility to contribute to an HSA account may be limited. Please consult your tax advisor for additional information.

Contact VitaFlex

Please contact VitaFlex if you have any questions. We can be reached via e-mail at flex@vitamail.com or via phone at (650) 966-1492 or (800) 424-3052.