HSA with a Limited Purpose FSA

What is an HSA & Limited Purpose FSA?

A Health Savings Account (HSA) and a Limited Purpose Flexible Spending Account (LPFSA) are both tax-advantaged accounts that help you save money on out-of-pocket healthcare costs. An HSA can be used for a wide range of eligible medical, dental, and vision expenses and the funds roll over each year, it's yours to keep. A Limited Purpose FSA works alongside an HSA and is limited to dental and vision expenses only, helping you save even more pre-tax dollars.

Why enroll in both?

By enrolling in both an HSA and a Limited Purpose FSA, you can maximize your tax-free savings.

- Use the LPFSA for dental and vision expenses (exams, glasses, contacts, etc.)
- Save your HSA funds for medical expenses or long-term savings and investment
- Helps you stretch your HSA balance and build a larger nest egg for future healthcare needs

How much can you contribute to both?

The Internal Revenue Service (IRS) sets the maximum annual contribution each year. You can choose any contribution amount up to this limit, and it will be evenly deducted from your paychecks throughout the plan year.

Limited Purpose FSA	**$3,500**
HSA Single Coverage	**$4,500**
HSA Family Coverage	**$9,000**
HSA Catch-up Contribution (Age 55+)	**$1,000**

Enrolling & Making Changes

→ You must be enrolled in an HSA-eligible High-Deductible Health Plan (HDHP) to contribute to an HSA and enroll in an LPFSA.

→ You should elect both the HSA and LPFSA during Open Enrollment.

→ After enrollment, you can adjust your HSA contribution amount at any time during the year — no need to wait for Open Enrollment or a qualifying life event (as long as you remain enrolled in an HSA-eligible health plan).

→ Limited Purpose FSA contribution amounts cannot be changed mid-year unless you experience a qualifying life event (e.g., marriage, birth of a child).

Plan Year:

1/1/2027 to 12/31/2027

Key Benefits

Use now & save for later

Use your Limited Purpose FSA for current dental and vision expenses and save your HSA funds for medical expenses or let them grow for the future.

HSA Funds Rollover

Your HSA balance never expires and rolls over year after year. Limited Purpose FSA funds must be used during the plan year, allowing you to plan and budget for routine dental and vision expenses.

Convenient payment & reimbursement

Both accounts use the same benefits debit card, online portal, and mobile app making it easy to pay for eligible expenses quickly and securely.

Investment potential

Once your HSA balance reaches a certain threshold, you can invest your HSA funds and grow your long-term savings.

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