

## Using the Limited Scope Health Care Flexible Spending Account (FSA) and Health Savings Account (HSA) Together

If you are enrolled in the Anthem Lumenos High Deductible Health Plan (HDHP), you are eligible to enroll in the Limited Scope Health Care Flexible Spending Account (FSA) and the Health Savings Account (HSA). Both are tax-advantaged accounts that can be used to pay for eligible expenses.

This brochure provides more information about how the Limited Scope Health Care FSA and HSA work together.

### What Is a Limited Scope Health Care FSA?

Flexible Spending Accounts (FSAs) allow you to deduct pre-tax dollars from your paycheck to pay for eligible out-of-pocket health care expenses. Due to IRS regulations, if you're enrolled in an HSA, you are not eligible for a standard Health Care FSA. Instead, you can contribute up to \$2,550 to a special FSA called a Limited Scope Health Care FSA.

The Limited Scope Health Care FSA offers reimbursements for eligible non-medical expenses, such as dental and vision plan deductibles, copays, and coinsurance. However, once you meet your medical plan's annual deductible, you can also use your Limited Scope Health Care FSA funds to cover eligible medical expenses and prescription drug costs.

Like the Health Care FSA, the Limited Scope Health Care FSA's funds do not roll over from year to year. Any funds remaining at the end of the year will be forfeited. In other words, you must use your FSA funds for expenses you have during the year, or you will lose them—this is called the "use it or lose it" rule. You must elect to contribute to a Limited Scope Health Care FSA during Open Enrollment or if you have a qualified life event during the plan year. You may elect to contribute from a minimum of \$300 up to a maximum of \$2,550 to your Limited Scope FSA each year. Limited Scope Health Care FSA expenses must be incurred between January 1, 2017, and March 15, 2018. You have until June 30, 2018, to submit your request for reimbursement to the FSA administrator in order to be eligible for reimbursement. **In addition, if you end your employment with The Claremont Colleges, you will have 90 days to request reimbursement for any eligible expenses incurred while actively employed.**

For more information about these accounts, see your *2017 Benefits Guide* available on the CUC benefits website at [www.cuc.claremont.edu/benefits/plans](http://www.cuc.claremont.edu/benefits/plans).

### For More Information

For more information on these plans, read your *2017 Benefits Guide*, or contact your account administrator, listed below.

#### Limited Scope Health Care FSA

PayFlex  
[www.payflex.com](http://www.payflex.com)  
888-678-8242

#### HSA

BenefitWallet  
[www.mybenefitwallet.com](http://www.mybenefitwallet.com)  
877-472-4200

## What Is an HSA?

If you enroll in the Anthem Lumenos HDHP, you can open an interest-bearing, tax-advantaged savings account that is specifically reserved to pay for eligible health care expenses.

You can make pre-tax contributions from your paycheck, or post-tax contributions directly to your HSA. You may also qualify for The Claremont Colleges contribution, unless you are a highly compensated employee (earning \$120,000 or more annually in 2016). You will only receive the employer contribution to your HSA if the account is with BenefitWallet.

Your HSA balance rolls over from year to year, allowing you to save or spend the money in your account for eligible health care expenses when needed. You can even invest your money in mutual funds once your balance reaches \$1,000.

For more information about the Health Savings Account (HSA) read the *Guide to the Anthem Lumenos HDHP* or your *2017 Benefits Guide* available on the CUC benefits website at [www.cuc.claremont.edu/benefits/plans](http://www.cuc.claremont.edu/benefits/plans).

### Enrolling Midyear?

If you are currently enrolled in a Health Care FSA but enroll in the Anthem Lumenos HDHP with an HSA during the plan year due to a qualified life event, you (and the Claremont Colleges) will not be permitted to contribute to an HSA until after January 1. Additionally, if you continue to have funds in your FSA after December 31 of that year, you must wait till April 1 of the following year to contribute to your HSA.

### Eligible Health Care Expenses:

See a full list of eligible expenses in IRS Publication 502 at [www.irs.gov](http://www.irs.gov).

### Maximizing Your Tax Savings

Consider paying your out of pocket dental and vision expenses from the Limited Scope Health Care FSA first, since unused FSA funds will be forfeited at the end of the year. If you don't use all of your HSA balance each year—no problem! It rolls over into the following year, helping you to build up savings for future expenses.

## The Limited Scope Health Care FSA and an HSA: How They Work Together

You can maximize your tax savings by using a Limited Scope Health Care FSA along with your HSA. The table below shows when you should use your HSA or Limited Scope Health Care FSA:

Type of Expense	Limited Scope Health Care FSA	HSA
<b>Eligible medical services</b>	✘  (only available to use AFTER you have reached your medical plan's deductible)	✔
<b>Prescription drugs</b>	✘  (only available to use AFTER you have reached your medical plan's deductible)	✔
<b>Eligible dental services</b>	✔	✔
<b>Eligible vision services</b>	✔	✔

## Paying for Expenses and Filing Claims

Once you've decided which account is the right one to use for your eligible expenses, it's important to know how to pay.

Limited Scope Health Care FSA	Health Savings Account (HSA)
<p><b>Before you meet your medical plan's deductible for eligible expenses</b></p> <p>There are two ways to pay for your dental and vision expenses, using your FSA:</p> <ol style="list-style-type: none"><li>1. Use your PayFlex Card® to pay at the point of service.</li><li>2. Pay for eligible expenses with cash, check, or your personal credit card. Then submit an online claim to PayFlex for reimbursement at <a href="http://www.payflex.com">www.payflex.com</a> or a paper claim at the address listed below.</li></ol> <p>Note: When you submit a claim, your claim will only be approved if it contains an itemized receipt that includes the following information:</p> <ul style="list-style-type: none"><li>• Provider name and address</li><li>• Patient name</li><li>• Description or type of service</li><li>• Date of service (not date of payment)</li><li>• Dollar amount charged for the expense.</li></ul>	<p>There are three ways to pay for your expenses, using the HSA:</p> <ol style="list-style-type: none"><li>1. Use your BenefitWallet debit card to pay at the point of service. Keep in mind, there is a \$3,000 daily limit on the BenefitWallet card regardless of your account balance.</li><li>2. Write a check from your HSA checkbook at the point of service. You can use a check for any amount, up to the balance in your HSA. (You may request a checkbook from Mellon Bank when you open your account.)</li><li>3. Pay for the service out of pocket and then submit your receipts and claims to Mellon Bank for reimbursement at <a href="http://www.mybenefitwallet.com">www.mybenefitwallet.com</a>.</li></ol>
<p><b>After you meet your medical plan's deductible for eligible expenses</b></p> <p>Once you reach your medical plan's annual deductible, you can also use funds in the Limited Scope Health Care FSA for medical expenses.</p> <p>Although you can continue to use your debit card to pay for dental and vision expenses, you <b>must</b> pay for eligible medical and prescription expenses <b>out of pocket</b>, then file a claim to be reimbursed. At that time, you will be required to prove to PayFlex that you have met your annual deductible and these expenses are now eligible for reimbursement by providing an Explanation of Benefits (EOB) that demonstrates the deductible was met. You can find your EOB at <a href="http://www.anthem.com/ca">www.anthem.com/ca</a>.</p> <p><b>Submit an online claim form</b> at: <a href="http://www.payflex.com">www.payflex.com</a></p> <p><b>Submit a paper claim form</b> to:</p> <p>PayFlex Systems USA, Inc. P.O. Box 981158 El Paso, TX 79998-1158 Fax: 855-703-5305</p>	

### Calculate Your HSA Dollars with BenefitWallet

Use BenefitWallet's diverse HSA calculator tools on their website. You can calculate your contribution amounts and your tax savings, and you can even plan ahead for the future by using their "HSA Savings Goal Calculator" if you want to save for future expenses. Go to [www.mybenefitwallet.com](http://www.mybenefitwallet.com) to access these tools.

# Quick Reference Comparison Chart

The table below provides a quick look at these accounts and how they compare.

	Limited Scope Health Care FSA	Health Savings Account (HSA)
<b>Eligibility/When You Can Enroll</b>	You can enroll in a Limited Scope Health Care FSA <b>during Open Enrollment</b> .	You must be enrolled in a <b>high deductible health plan</b> , like The Claremont Colleges Anthem Lumenos HDHP. You can open your HSA at <b>any time</b> throughout the year.  Exceptions: <ul style="list-style-type: none"> <li>You cannot be enrolled in Medicare Part A or Part B</li> <li>You cannot be covered by another health plan such as your spouse's health care FSA or a medical plan that is not also a high-deductible health plan</li> </ul>
<b>Your Contributions</b>	Pre-tax contributions deducted from your paycheck from <b>\$300</b> to <b>\$2,550</b> per year.	Pre-tax contributions deducted from your paycheck: <ul style="list-style-type: none"> <li><b>Up to \$3,400</b> for individual accounts</li> <li><b>Up to \$6,750</b> for family accounts</li> <li><b>\$1,000</b> in catch-up contributions for individuals age 55 and over.</li> </ul> <p>If you enroll in the HSA during Open Enrollment but currently have a Health Care FSA, your Health Care FSA balance must be zero by December 31 of this year, or you will not be permitted to contribute to your HSA until April 1 of the new plan year.</p>
<b>Contributions from The Claremont Colleges</b>	None.	If your HSA is with Mellon Bank, The Claremont Colleges contribute: <ul style="list-style-type: none"> <li>\$450 for individual coverage</li> <li>\$900 for individual + dependent(s) coverage (domestic partners are not eligible).</li> </ul> <p>If you join The Claremont Colleges during the year, the Company contribution will be pro-rated. Highly compensated employees (earning \$120,000 or more annually) are not eligible for The Claremont Colleges contribution.</p>
<b>Making Changes to Your Contributions</b>	You can stop, start, or change your contributions only <b>during Open Enrollment</b> each year or <b>following a qualified life event</b> .	You can stop, start, or change your contributions <b>at any time</b> during the year.
<b>When Money Is Available</b>	You can use your full annual election <b>starting January 1</b> , even if funds aren't yet deposited.	You can only use the money that is in your account.
<b>When to Use Your Funds</b>	<ul style="list-style-type: none"> <li><b>Before you reach the annual deductible:</b> For eligible dental and vision expenses only.</li> <li><b>After you reach the annual deductible:</b> For eligible medical, dental, vision, and prescription drug expenses.</li> </ul>	For <b>eligible medical, dental, vision, and prescription drug</b> expenses.
<b>How to Access Money in Your Account</b>	Use the <b>PayFlex debit card</b> for vision and dental expenses.  After you reach your medical plan annual deductible, <b>file claims for reimbursement</b> for medical and prescription expenses.	Use your <b>BenefitWallet debit card or checkbook</b> to pay for eligible expenses.  You can also pay out of pocket.
<b>Use It or Lose It</b>	Yes—you <b>forfeit</b> any unused funds at the end of the grace period/plan year.	No—your account balance <b>rolls over</b> year to year.
<b>Take Your Account with You If You Leave TCC</b>	<b>No.</b> You will have 90 days from your last day of employment to submit claims, and they must be for services dated prior to your last day worked.	<b>Yes.</b>