

Limited Purpose Flexible Spending Account Enrollment Guide



What is an LPF?

A Limited Health Flexible Spending Account (LPF) allows individuals to use pre-tax dollars to pay for dental and vision expenses not covered by insurance. Individuals elect to contribute a portion of their paychecks to either a limited health FSA or dependent care FSA and save 25% to 40% in taxes.

Know the Rules:

Limited Health (dental & vision) FSA

The IRS maximum for 2024 is \$3,200. Employers may set a lower limit.

Participants may claim and be paid out their entire annual election at any time.

Every expense must be substantiated. Participants must be able to provide receipts, statements or bills for all expenses if substantiation is requested. Documents must include the date, amount and description of the expense or service.

Only eligible expenses can be reimbursed. Dental and vision expenses are defined by IRS rules. See IRS Publication 502.

Only “out-of-pocket” dental or vision expenses are eligible for reimbursement. Dental or vision expenses covered by insurance or any other plan or program are not eligible for reimbursement.

Expenses for personal use or cosmetic surgery are not eligible for reimbursement. See IRS Publication 502.

Dental or vision expenses reimbursed under the Limited Purpose FSA may not be used to claim a federal income tax deduction.

Limited Purpose FSAs are for vision and dental expenses before the consumer has met their insurance deductible. In some cases, the LPF can be used for qualified medical expenses after the deductible is met, depending on the rules established by the employer.

- Contributions are subject to the IRS “use-it-or-lose-it” rule. However, for the limited health FSA, the employer may adopt a provision allowing up to a \$640 (2024) carry over of unclaimed monies. Unclaimed monies not carried over are forfeited at the end of the plan year.
- Elections cannot be changed during the plan year, unless the participant has a change of status. IRS Regulations define a change of status.
- Expenses must be incurred by a participant, spouse or eligible dependents during the current plan year and while participating. Expenses are incurred when the medical care is provided and not when the expense is billed, the bill is due or when the bill is paid.
- Every employer sets the deadline when claims and documentation must be submitted after the end of the plan year. It is usually 60 or 90 days after the end of the plan year.

Employees contributing to a HSA may only participate in a “limited” health FSA not a “general” health FSA. A limited health FSA can only be used to pay for “out of pocket” dental and vision expenses.



Tax Savings Examples:

Dave, a single taxpayer, earns \$27,000/year and has eligible dental and vision expenses of \$1,200/year.

Dave's annual savings realized by participating in the LPF is **\$327**.

Michael and Sharon, working parents, earn a total of \$48,000/year. They have \$5,000 in child care expenses and \$1,000 per year in eligible dental and vision expenses.

Their annual savings realized by participating in the LPF is **\$1,637**.

Assumptions are based off of 15% Federal, 4.63% State, and 7.65% FICA tax

Access with a Debit Card



Pay for Expenses with a Debit Card



- Easy to use- the Benefits Card is a stored-value card that simplifies the process of paying for qualified expenses.
- Restricted by merchant code (MCC) to vision or dental-related merchants where MasterCard is accepted.
- It pays directly at the point of sale - No waiting for reimbursement!
- You can use it to pay for online mail-order prescriptions.
- You must save all receipts and be prepared to provide receipts if they are requested.

Save All Receipts For Purchases Made With The Benefit Card

Please remember to keep receipts for all purchases made with the Benefit Card. Per IRS regulations, Rocky Mountain Reserve may request itemized receipts to verify the eligibility of purchases made with the card.



- All receipts or other proofs of purchase must include the date of service, name of provider, dollar amount, and a description of the purchased service or product.
- Any receipt that does not contain the detailed information described above is not acceptable. Credit card receipts and canceled checks are not acceptable.
- If the requested receipt is lost or otherwise unavailable, most providers can provide a detailed statement documenting LPF eligible purchases. An Explanation of Benefits (EOB) is sufficient documentation to substantiate a transaction. Additional documentation will be requested UNLESS the transaction matches a co-payment, a previously approved repetitive expense, or was at a merchant that has installed the inventory information approval system referenced above.
- If a receipt is requested, Rocky Mountain Reserve will email a request within hours. Participants can mail, fax, email, upload the receipt online, or take a picture and submit it through the mobile app.

No Receipt Retailers

Some retailers have installed an inventory information approval system for most medical expenses and receipts will not be requested.



Submit Claims for Reimbursement

Submit Claims Through a Mobile Application

Take a picture of your receipt and submit it with your reimbursement request through the mobile application. You can also look up your account balance and recent transactions. Claims submitted through the mobile application receive **high priority**. To download the mobile application: **Search for "RMR Benefits"**



Submit Claims Through a Web Portal

Participants may file requests for reimbursement directly to Rocky Mountain Reserve through <https://www.rockymountainreserve.com>. Claims submitted through the web portal receive **high priority**.



Submit Claims Manually

Participants may also file requests for reimbursement directly to RMR through fax, mail, or email.

Fax: 866.557.0109

E-mail: claims@r mrbenefits.com

Mail: PO Box 631458 Littleton, CO 80163



Claims are paid by direct deposit or check.



Online & Mobile Access

www.rockymountainreserve.com

To Create Your Online Account:

- 1 Go to www.rockymountainreserve.com
- 2 Click on "Login/Register" in the top right-hand corner
- 3 Click on "Employee Registration"
- 4 Username will be the name you use to log in for the web portal and mobile application.
- 5 The password must contain at least 3 of these: special character, number, upper or lower case letter
- 6 For Employee ID Use SS# or other assigned Employee ID.
- 7 For Registration ID select "Card Number" which is your Benefits MasterCard. If you do not have a card, your

With Online Access You Can:

- View balance
- View transaction history
- Download statements
- Submit claims and upload receipts
- View debit card receipt requests and upload receipts



RMR Benefits Mobile

Rocky Mountain Reserve Mobile

Download the mobile application and gain real-time access to your:

Flexible Spending Account (FSA)

Limited Purpose FSA (LPF)

Health Reimbursement Arrangement (HRA)

Health Savings Account (HSA)

Search "RMR Benefits" on the app store