

# Medical Limited Purpose Account - 2024

## Plan Details

### How does the Limited Purpose Medical Reimbursement Account Work?

Your employer will establish a Medical Reimbursement Account on your behalf. The amount that you elect to contribute for the plan year will be available immediately in your account, but your election will be divided out and deducted, pre-tax, from each paycheck throughout the entire plan year. As you incur eligible expenses you will submit a claim to Health Equity to draw funds from your account. Paying for benefits on a pre-tax basis means your taxable income is lower and, consequently, your taxes are lower

\*\*\*This account is for staff currently enrolled in a High Deductible Health Plan with a current Health Savings Account (HSA). This plan has no bearing on your current HSA withholdings from your paycheck sent to your HSA. This account is intended for POST deductible expenses, dental, or vision expenses. This cannot be used to satisfy a deductible on High Deductible Health Plans as defined by the regulations\*\*\*

### What are examples of eligible medical expenses that qualify for reimbursement from the Medical Reimbursement Account?

Eligible expenses must qualify as a medical deduction under Internal Revenue Service rules (Section 213(d)). Examples of health care expenses include:

- Medical Reimbursement Account: deductibles, co-pays, eyeglasses, contact lenses, prescription, some over-the-counter items, chiropractic care, therapy and corrective eye surgery (i.e. Lasik).
- Medical Limited Purpose Account: dental cleaning, dental fillings or surgeries, orthodontia, eyeglasses, contact lenses, corrective eye surgery (i.e. Lasik). For a list of more eligible expenses log on to <https://healthequity.com/qme>.

### Can I use the Medical Reimbursement Account for my family's health care expenses?

Eligible health care expenses incurred by you, your spouse, or any Code Section 152 dependent are allowed for reimbursement.

### What do I submit to get reimbursed for qualifying Medical expenses?

To draw funds from your Medical Reimbursement Account, you simply submit a claim online then send necessary documentation, or submit the claim and documentation via mail, fax or email to Health Equity. Upon receipt and review of the claim, Health Equity will reimburse you from your spending account.

### What happens if I don't incur enough eligible expenses during the plan year to claim reimbursement of all the money I have contributed to the Medical Reimbursement Account?

IRS rules do not permit a refund of any unused funds that remain in your Medical Reimbursement Account at the end of a plan year. Also, you cannot transfer money designated for the Medical Reimbursement Account to any other account or fund. For this reason, it is important that you be conservative when setting

your targeted contribution to the Medical Reimbursement Account. The maximum allowed in 2024 is \$3,050, as of today.

**If I contribute to a Medical Reimbursement Account, does it affect my ability to take advantage of the Medical Expenses Tax Deduction on my personal income tax filing?**

Expenses that are reimbursed through the Medical Reimbursement Account cannot be used as deductible expenses when filing your personal income taxes. However, the Medical Reimbursement Account provides you with a way of saving taxes on health related expenses, even if the expenses do not exceed the 7.5% of your gross income as is required to claim them as a deduction on your personal income tax return.

**What happens if I terminate employment?**

If you terminate employment, your participation in the Medical Reimbursement Account will automatically terminate. However, you can receive reimbursement for eligible health care expenses incurred prior to termination (see your Summary Plan Description for details). If coverage would otherwise end due to a qualifying event as outlined in the COBRA laws, you and your covered spouse and dependents may be able to continue participation in the plan on an after tax-basis. Your benefits administrator will provide you with information on how to continue coverage under the Medical Reimbursement Account, if this is appropriate.

**Important to know...**

- Money you choose to put into this account is only available for reimbursement during the plan year. If there is money left in your account at the end of the year you lose it (except for a \$500 rollover allotment), so be careful to estimate your eligible medical expenses carefully.
- The elections you make for this account during enrollment are your elections for the entire plan year. You may change them only if you have a qualified change in status (see your Summary Plan Description for details).
- The money you elect to put into this account must only be used for eligible medical expenses for you or your dependents. For example, you cannot have daycare expenses reimbursed from this account because this account is designated for medical expenses only.
- The money you elect to put into this account is available at the beginning of the plan year, but paycheck deductions to fund the account are spread throughout the year.

Detailed information about Medical Reimbursement Accounts can be found in the Summary Plan Description provided. Although great care has been taken in preparing the materials, in the event that there is a discrepancy between this overview sheet, the Summary Plan Description and the Plan Document, the Plan Document will prevail.