



Frequently asked questions | Limited-use Medical Spending Account

General information

What is a Limited-use Medical Spending Account (MSA)?

A Limited-use MSA is a Health Savings Account (HSA)-compatible MSA. The Limited-use MSA allows you to set aside money from your paycheck pretax to pay for things the Savings Plan does not cover, such as dental and vision care expenses.

Who is eligible for a Limited-use MSA?

Employees who are enrolled in the Savings Plan and are making contributions to an HSA are eligible to participate. The HSA can be used to pay all types of medical expenses incurred now or in the future; however, the Limited-use MSA can be used only to pay for current year dental and vision expenses. If you are married and your spouse is contributing to an HSA through his employer, you are also eligible to enroll in a Limited-use MSA.

What types of dental and vision expenses are eligible?

- Dental: cleanings, X-rays, fillings, crowns, bridges, dentures, implants, orthodontia, mouth guards and prescriptions for dental care.
- Vision care: eye exams, eyeglasses, prescription sunglasses, over-the-counter reading glasses, contact lenses and solutions, LASIK surgery and prescriptions for vision care.

How much can I contribute to my Limited-use MSA each year?

You can contribute up to \$2,750 in 2020. This amount is subject to change at any time by the IRS. You must reenroll each year during the open enrollment period in October.

Can I change my election amount during the plan year?

Your Limited-use MSA contribution is fixed once you make your election during open enrollment or initial enrollment. However, there are qualifying status changes during which you may be eligible to change your contribution amount.

If I have funds remaining in my Limited-use MSA at the end of the plan year, do those funds carry over into the next plan year?

You can carry over up to \$500 of unused funds into the next plan year. For example, if you have \$500 of unused funds as of December 31, 2020, you can carry over that amount into the 2021 plan year. You do not have to reenroll in a Limited-use MSA to access the \$500 carryover amount as long as you remain eligible. If you do re-enroll, the \$500 is added to your new election amount.

The carryover feature for a Limited-use MSA works the same as that for an MSA. See the MSA FAQs document for more information.

What is the deadline to submit claims?

The deadline to submit claims is March 31 of the following year for expenses incurred in that plan year. For example, you have until March 31, 2021, to file claims for expenses incurred January 1, 2020, through December 31, 2020.

What is the advantage of a Limited-use MSA?

Limited-use MSAs are an important benefit that help you save and build the value of your HSA funds so you can use your HSA for future health care expenses. Your Limited-use MSA funds are available to you on January 1. By using a Limited-use MSA to pay for eligible current year dental and vision care expenses, you will not diminish the future value of your HSA.