Larkfield Instruments, Inc.

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ACCOUNT COMPARISON

Plan year
January 1 – December 31, 2028
Elect during
October 18 – November 5, 2027
SPD reference
Section 9, pages 62–71
Guide
LI-ACCT-2028, published October 4, 2027

HSA, Health FSA, and Limited-Purpose FSA

Three different containers with different owners, different deadlines, and different pairing rules

YOUR MEDICAL PLAN DECIDES WHICH ACCOUNT YOU MAY ELECT

The health savings account is available only with Value HDHP 3200. The general-purpose health FSA is available only with Core PPO 2000, Select EPO 1000, or waived medical coverage. Electing the wrong combination can make you ineligible for the HSA for the whole year.

HSA CUSTODIAN	FSA ADMINISTRATOR	PAY PERIODS	FIRST DEDUCTION
Meridian Trust HSA	**Copperline Benefit Administrators**	**24 semi-monthly pay periods**	**Pay date of January 15, 2028**
EXPENSES INCURRED BY	FSA CLAIM FILING DEADLINE	FSA CARRYOVER INTO 2029	DEPENDENT CARE FSA
December 31, 2028 for both FSAs	**March 31, 2029**	**Up to $680**	**A separate account, not covered by this guide**

1. WHO MAY ELECT EACH ACCOUNT, AND HOW THE MONEY GETS IN

	HEALTH SAVINGS ACCOUNT (HSA)	HEALTH FLEXIBLE SPENDING ARRANGEMENT (HEALTH FSA)	LIMITED-PURPOSE FSA
Who may open or elect it	Only employees enrolled in Value HDHP 3200 with no other disqualifying coverage	Employees enrolled in Core PPO 2000 or Select EPO 1000, or who waive medical coverage	Only employees enrolled in Value HDHP 3200
Who owns the money	You. The account is yours and it leaves with you	The plan. Unused amounts beyond the carryover are forfeited	The plan. Unused amounts beyond the carryover are forfeited
Your 2028 contribution limit	$4,400 self-only coverage · $8,750 family coverage, including the Larkfield contribution	$3,400 · minimum election $250	$3,400 · minimum election $250
Catch-up contribution	$1,000 if you are 55 or older at any point in 2028	None	None
Larkfield contribution	$750.00 self-only · $1,500.00 family, funded evenly across 24 semi-monthly pay periods	None	None
When the money is available	As it is deposited, paycheck by paycheck	The full annual election is available on January 1, 2028	The full annual election is available on January 1, 2028
Can you change the amount mid-year	Yes, prospectively, at any time and for any reason	Only with a qualifying life event under SPD Section 5.3	Only with a qualifying life event under SPD Section 5.3

The single most important difference is ownership. The HSA is a bank account in your name that rolls forward and leaves with you. Both FSAs are plan arrangements with an end date, a carryover cap, and a filing deadline.

FICTIONAL SPECIMEN — synthetic data, not a real document

2. USING THE MONEY, THE DEADLINES, AND WHAT HAPPENS TO WHAT IS LEFT

	HEALTH SAVINGS ACCOUNT (HSA)	HEALTH FLEXIBLE SPENDING ARRANGEMENT (HEALTH FSA)	LIMITED-PURPOSE FSA
Eligible expenses	Qualified medical, dental, and vision expenses for you and your tax dependents	Medical, prescription, dental, and vision expenses	Dental and vision expenses only, until you notify the administrator that the HDHP deductible is met
Substantiation	You keep your own receipts; the custodian does not pre-review claims	Card swipes are auto-substantiated where possible; otherwise a receipt is required within 60 days	Card swipes are auto-substantiated where possible; otherwise a receipt is required within 60 days
Deadline to incur an expense	No deadline; the balance rolls forward indefinitely	December 31, 2028	December 31, 2028
Deadline to file a claim	Not applicable	March 31, 2029	March 31, 2029
Carryover into 2029	Entire balance	Up to $680	Up to $680
What happens if you leave Larkfield	The account stays with you	Claims must be for expenses incurred before coverage ends, unless COBRA is elected	Claims must be for expenses incurred before coverage ends, unless COBRA is elected
Administrator	Meridian Trust HSA, 1-888-555-0168	Copperline Benefit Administrators, 1-888-555-0169	Copperline Benefit Administrators, 1-888-555-0169
SPD reference	Section 9.1, pages 62–65	Section 9.2, pages 66–69	Section 9.3, pages 70–71

An FSA follows the money in the opposite direction from an HSA: the full election is available to you on the first day of the plan year, but the right to use it ends with the plan year and the right to file for it ends on March 31, 2029.

3. WHICH COMBINATIONS ARE ALLOWED

MEDICAL ELECTION	ACCOUNT	ALLOWED?	WHY
Value HDHP 3200	HSA	Allowed	This is the intended pairing. The Larkfield contribution is deposited only into an HSA.
Value HDHP 3200	Limited-purpose FSA	Allowed	Dental and vision expenses only, which preserves HSA eligibility.
Value HDHP 3200	HSA and limited-purpose FSA together	Allowed	Common pairing when a known dental or vision expense is planned for the year.
Value HDHP 3200	General-purpose health FSA	Not allowed	A general-purpose health FSA is disqualifying coverage and would end HSA eligibility.
Core PPO 2000	Health FSA	Allowed	The standard pairing for a non-HDHP election.
Core PPO 2000	HSA	Not allowed	The plan is not HSA-qualified.
Select EPO 1000	Health FSA	Allowed	The standard pairing for a non-HDHP election.
Select EPO 1000	HSA	Not allowed	The plan is not HSA-qualified.
Waived medical coverage	Health FSA	Allowed	You may elect a health FSA without medical coverage.
Waived medical coverage	HSA	Not allowed	HSA eligibility requires HDHP coverage.

Coverage under a spouse's general-purpose health FSA also counts as disqualifying coverage for HSA purposes. The plan cannot see a spouse's election, so that check is yours to make.

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4. WORKED EXAMPLE — DANA M. WHITCOMB, EMPLOYEE LI-40188

ELEMENT	2028 ELECTION
Medical plan elected	Value HDHP 3200, employee + child(ren) tier
Medical contribution	$74.00 per pay period · $1,776.00 for the year
HSA coverage category	Family, because the tier covers more than the employee alone
Applicable HSA limit	$8,750 for 2028
Larkfield HSA contribution	$1,500.00 · $62.50 per pay period
Employee HSA election	$2,400.00 · $100.00 per pay period
Total going into the HSA	$3,900.00, which is $4,850.00 below the family limit
Limited-purpose FSA election	$600.00 · $25.00 per pay period, available in full on January 1
General-purpose health FSA	Not elected, and not permitted with this medical plan
Total account deductions	$125.00 per pay period · $3,000.00 for the year
Total payroll deduction with medical	$199.00 per pay period · $4,776.00 for the year

Every figure in this example comes from the contribution schedule in the open enrollment comparison guide and the limits in Sections 1 and 2 above. The example is arithmetic, not advice.

5. THE THREE MISTAKES THAT COST PEOPLE MONEY

1. **Electing a general-purpose health FSA alongside the HDHP.** This ends HSA eligibility and can make contributions already deposited taxable.
2. **Assuming an FSA election carries over.** It does not. Both FSA elections reset to zero each year and must be re-elected during open enrollment.
3. **Missing the claim filing deadline.** An expense incurred on December 30, 2028 must still be filed by March 31, 2029. Amounts above the $680 carryover that are never claimed are forfeited.

Watch the annual limit: Exceeding the annual HSA limit can create a tax penalty that continues until the excess is removed. If you contributed to an HSA at a previous employer during 2028, that amount counts toward the same annual limit. Larkfield does not track prior-employer contributions.

6. PAYING FOR CARE AND KEEPING RECORDS

STEP	HSA	HEALTH FSA AND LIMITED-PURPOSE FSA
Paying at the point of service	Debit card, or pay out of pocket and reimburse yourself later	Benefits debit card, or submit a claim for reimbursement
Documentation required	None submitted to anyone; you keep receipts for your own records	Itemized receipt showing date of service, provider, patient, service, and amount
If documentation is missing	Not applicable	The card is suspended until the receipt is provided or the amount is repaid
Deadline to respond to a request	Not applicable	60 days from the date of the administrator's request
What is never an eligible expense	Anything that is not a qualified medical expense under the tax rules	Cosmetic procedures, insurance premiums, and non-medical items
Where to see the balance	meridiantrusthsa.example or 1-888-555-0168	copperlinebenefits.example or 1-888-555-0169

A credit card statement, a cancelled check, or an “amount due” balance notice is not an itemized receipt and will not substantiate an FSA claim.

Not tax advice: This guide is not tax advice. Contribution limits, eligibility rules, and the tax treatment of these accounts are set by federal tax law and can change. Talk to a qualified tax professional about your own situation before you rely on any figure in this guide.

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