



# Flexible Spending Account Rollover

**You have the option to carry over up to \$550 of unused funds to the following plan year, allowing you to enjoy tax savings without risk.**

## What is a flexible spending account?

A flexible spending account (FSA) is a health benefit account that allows you to set aside pre-tax dollars for eligible medical, dental and vision expenses that are not covered under your primary health plan.

## What is an FSA rollover?

Historically, FSA users would forfeit any unused FSA funds at the end of the plan year as a result of the use-it-or-lose-it rule. While this rule is still in place, the FSA rollover option provides you with a measure of relief by giving you the ability to rollover up to \$550 of unused funds to the following plan year. The rollover amount does not count toward the maximum allowable contribution for the following plan year.

### How does it work?

- During open enrollment, you elect to contribute the maximum allowable amount of \$2,750 to your FSA.
- During the course of the plan year, you spend \$2,300 on eligible healthcare expenses, which means you have \$450 remaining in your account at the end of the plan year.
- You choose to re-enroll in the FSA and expect to incur additional medical expenses in the coming year so you once again elect to contribute the maximum allowable amount of \$2,750.
- Thanks to the FSA rollover option, the \$450 of unused funds from your previous year's account is added to your current year account.
- You now have \$3,200 available for qualified healthcare expenses for the current year.

## What are the benefits of the FSA rollover option?

- Minimizes your risk of forfeiting unused FSA funds at the end of the plan year.
- You no longer have to precisely predict your out-of-pocket healthcare expenses for the coming year in an effort to choose the "right" FSA election amount during open enrollment.
- Gives you more flexibility to pay for eligible healthcare expenses as they arise, rather than rushing to spend all unused FSA funds at the end of the plan year.

**Questions?**

**Call us at 888-266-1732**