

The New FSA: What You Need to Know About the New FSA Rollover Ruling

On October 31, 2013 the US Department of Treasury and the IRS issued a notice modifying the long-standing “use it or lose it” rule for healthcare flexible spending accounts (FSAs). The modification allows you to carry over up to \$500 of unused funds at the end of a plan year.

What Does this Mean to Me?

FSAs are now more compelling than ever. Until now, funds remaining in your FSA were forfeited at the end of a plan year. With the new ruling, you can rollover up to \$500 into the next plan year. The new rule change allows you to increase your financial contribution without the risk of losing funds. If you're new to FSAs, the rollover clause creates a risk-adverse opportunity to enroll in an FSA.

How It Works

1. At the end of your current FSA plan year, you can rollover **up to \$500** of your unused FSA funds; for use in the following plan year
2. Future year maximum contributions are not impacted - During the following plan year, you can still contribute the maximum amount to your FSA

The Benefits of the New FSA Rule:

- ▶ Rollover up to \$500 of unused funds into the following plan year
- ▶ The rollover amount **does not** impact the following year's maximum annual contribution – you can still contribute the \$2,500 maximum
- ▶ You no longer need to precisely budget your annual healthcare expenses – You can reduce the risk of ‘over-funding’ your FSA
- ▶ No more rushing to spend FSA funds at the plan year end on unnecessary items
- ▶ You still get all of the existing benefits of an FSA – You lower your taxable income and you save on out-of-pocket healthcare spending.

What does the FSA Rollover mean to you and your FSA?

- ▶ More flexibility
- ▶ Lower risk
- ▶ Easier financial planning

Get Started. Enroll in an FSA Today.

Whether you're a long-time FSA participant or just considering an FSA for the first time, the new \$500 rollover provision should be top-of-mind. The new ruling makes FSAs more flexible and powerful than ever before – helping you reduce taxable income and pay for out-of-pocket healthcare expenses without the risk of forfeiting funds.

Get started today, [Call-to-action].