



Health FSA Carryover



On October 31, 2013, the US Treasury Department modified its Healthcare Flexible Spending Account (FSA) “use-it-or-lose-it” provision to allow carryover of FSA funds.

This is great news for you, because:

- ☐ You can carryover up to \$500 of your unused Health FSA, aka Medical Reimbursement Account, funds into the next plan year.
- ☐ This eliminates the risk of losing Health FSA funds if you elect \$500 or less and remain an active/eligible employee.
- ☐ The Health FSA funds can continue to roll into future plan years until they are spent (if your employer continues to allow carryover.)
- ☐ The money you put in a FSA is not taxed, so assuming you elect \$500 and pay a combined 30% state and federal tax rate, you’re saving 30% off healthcare expenses funded through the account. That is \$150 in savings!
- ☐ Important:
 - ☐ Carryover funds are not available in the new plan year until the 15th of the month following the end of the run-out period.
 - ☐ This provision does not apply to Dependent Care FSA Funds.

THE NEW
FSA

USE OR
Carryover \$500
~~LOSE~~

If you chose not to participate in the past because of the Health FSA “use it or lose it” mandate, it’s time to take another look. The benefit will automatically take effect on your account should you decide to participate in the Health FSA.

Flexible Spending Just Got More Flexible!