



Flexible Spending Account Rollover

You have the option to carry over up to \$570 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 \$570 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 \$2,850 to your FSA.
- During the course of the plan year, you spend \$2,280 on eligible healthcare expenses, which means you have \$570 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 \$2,850.
- Thanks to the FSA rollover option, the \$570 of unused funds from your previous year's account is added to your current year account.
- You now have \$3,420 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 1-855-OCA-0777