

Don't Forget!



You can carry over up to \$500 of health care FSA funds to the next plan year

The U.S. Treasury Department modified its health care FSA “use-it-or-lose-it” provision to allow FSA funds to be carried over to the next plan year.

How this affects your health care FSA

- A maximum amount up to \$500 of health care FSA funds will carry over to the new plan year
 - The carry-over will take place at the beginning of the new plan year
 - Claims submitted for the prior plan year’s expenses will still be paid from available carry-over funds, if needed
 - Claims from the new plan year will use any available carry-over funds, if needed
- Amounts over the maximum remain under the “use-it-or lose-it” rule and therefore, will be forfeited after the filing deadline for the plan year
- The carry-over amount does not affect the maximum health care FSA annual election set by your plan
- Even if you do not make a new health care FSA election, your funds will carry over for you to use in the new plan year, if you are still an active employee
- All health care FSA funds must be used for IRS-eligible expenses

Per the IRS regulations, carry-over amounts cannot be cashed out or converted to any other taxable or non-taxable benefits.

For a list of eligible expenses, go to your FSA home page on umr.com.