

# The BESTflex<sup>SM</sup> Plan



## Health Care *FSA Rollover*

Unspent dollars, up to the limit set by your employer, carry forward from one plan year to the next.

### Rollover Dollars

Your employer has added a rollover to your Health Care FSA to help you manage your health care expenses. The rollover automatically prevents you from losing unspent funds at the end of the plan year, up to a limit set by your employer.

Simply enroll in the Health Care FSA. The rollover is automatically applied to your new plan year.

#### Overview of the Rollover

For example, let's say that your Health Care FSA election for the current plan year is \$2,750 and you used \$2,100 for health care expenses. This leaves \$650 in your account when the plan year ends. Of this \$650 remaining, your employer's limit allows up to \$550 to be automatically rolled over and added to your election amount for the new plan year. The remaining \$100 is forfeited.

#### Current Plan Year

\$2,750 Election		
\$2,100 Used	\$550 Rollover	\$100

#### New Plan Year

New Election Amount	\$550
Total FSA Funds: (Election with Rollover)	

*What about runout and grace period?*



### Runout Period

The Health Care FSA allows a runout period, which is a specific number of days after the end of the plan year in which you may submit claims for expenses incurred during the plan year. Refer to *My Company Plan* for the number of days in your runout period.

For example, your plan might end in December and allow a runout period of 3 months ending in March. Your Health Care FSA election was \$2,750 and you used FSA funds for qualifying expenses for the year totaling \$2,100. Included in the \$2,100 in expenses are claims of \$1,900 you submitted during the plan year and \$200 submitted during your runout period.

While \$100 of the remaining \$650 is forfeited, the \$550 allowed by your employer's limit is automatically carried over to the next plan year.

The runout period doesn't affect any rollover dollars in your Health Care FSA, because rollover amounts are not finalized until after the runout period is over.

During the new plan year, you can incur qualified expenses up to \$3,300 (up to a \$2,750 election, plus the \$550 rolled over from the prior plan year).

### Contribution Limit

Your employer places a limit on how much you can contribute from your salary or wages to your Health Care FSA each year. Any employer contributions would be in addition to the contribution limit. The contribution limit is unaffected by any funds rolled over from the prior plan year.

For example, if \$550 is rolled over from the prior plan year, you can still make an election in the current plan year, up to the contribution limit for your plan, indicated in *My Company Plan*.

### No Time Limit on Rollovers

Rollover dollars are automatically carried over from plan year to plan year, as long as you meet your plan's rollover requirements. There is no limit on the number of years to which unused dollars are rolled over.

### Other FSAs

The rollover applies only to your Health Care FSA. It does not apply to any other FSA. Any funds remaining in any other FSA at the end of the plan year are forfeited.

### Grace Period

Your employer has chosen to allow the Health Care FSA rollover instead of a grace period. IRS regulations state that a plan with a grace period cannot allow Health Care FSA dollars to roll over.

This will not impact a grace period applied to any other FSA. Refer to *My Company Plan* to determine if your Dependent Care FSA or other FSA has a grace period.

### You Can Lose Your Rollover If...

#### ...you're no longer eligible for the Health Care FSA

Regulations governing your Health Care FSA state you cannot be reimbursed for any expense you incur after you lose eligibility for the Health Care FSA, such as when your employment ends. However, qualified expenses you incur before you lose eligibility may be reimbursed if you submit a reimbursement claim within the runout period that applies at termination, indicated on the Statement of Account you will receive when your participation ends.

If you don't submit a claim equal to the amount remaining in your Health Care FSA for qualified expenses, the amount remaining in your account (including any rollover dollars from the previous plan year) is forfeited.

#### ...your plan is amended

Your employer may amend the plan to eliminate the rollover. That's why you should use your rollover dollars instead of rolling them over indefinitely.

### Current Plan Year

Current Plan Year			3-month Runout Period
\$2,750 Election			
\$1,900 Reimbursed	\$550 Rollover	\$100	\$200 Reimbursed
New Plan Year			
\$2,750 Election		\$550	
Total FSA Funds: (Election with Rollover)			



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### Questions?

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