AMERICAN BENEFITS GROUP

Carryover Provision: Flexible Spending Accounts

Great News! **Your employer has implemented the Carryover Provision for your Health Flexible Spending Account.**

What Is The Carryover Provision?

The Carryover Provision allows unused funds from one plan year to rollover into the new plan year. Beginning with plans which begin in 2020 the amount that can be rolled over is 20% of the IRS Maximum limit which can be contributed, the IRS Maximum for 2020 plans is $2,750 therefore making the amount which can be rolled over $550. This is a change, previously the carryover amount was a maximum of $500. Please be aware that in most cases employers require that you make an active new plan year election (minimum of $100) to take advange of the Carryover Provision.

How the Rollover Works:

- **If you make an active Health FSA election for the new Plan Year (minimum of $100)** then when the prior plan year ends up to 20% of the IRS Maximim Health FSA contribution can roll into your new plan year.
- PLEASE NOTE: If you have more than the total amount which is allowed to be rolled over you will need to submit claims for expenses incurred during the previous plan year, by the run out date or the balance above the allowed amount will be forfeited.

Run Out Date

The Run Out date is the last day to submit claims for expenses incurred during an active plan year. Once a plan year ends, please do not use your ABG Benefits Card to access these funds, you will need to submit these claims manually.

IMPORTANT: If you have a Dependent Care FSA the plan remains unchanged. The Carryover Provision is not allowed for the Dependent Care FSA.

- **Rollover up to 20% of the IRS Maximum Health FSA Contribution limit to the next plan year**
- **The carryover amount does not affect the following year's maximum contribution amount (you can still contribute up to the maximum allowance) the carryover funds will be added to your balance**
- **Maximize your tax savings by increasing your contribution without fear of losing money at the end of the plan year**
- **The new rule does not affect run out periods**
- **Your entire annual election is still available at the beginning of the plan year – a significant cash flow benefit!**

For More Information contact American Benefits Group 800-499-3539 or support@amben.com