



You rollover up to \$500 of your unused flexible spending account funds

Modification of the use-it-or-lose-it rule makes your healthcare flexible spending account (FSA) even more compelling

FSA's are now an even better way to budget and pay for out-of-pocket healthcare expenses. With recent changes to FSA rules, you have another great reason to contribute to an FSA. In addition to saving on taxes you would otherwise pay on your FSA contributions, you can now rollover up to \$500 of unused funds at the end of the year. Previously, unused funds remaining in your account would be forfeited. If you've been participating in an FSA, you may consider putting a little more in 'just in case' or if you've never had an FSA, now might be the time to enroll.



No more use-it-or-lose-it rule

In the past, any unused FSA funds were forfeited at the end of the plan year (or grace period). Now the government has modified its so-called “use-or-lose” rule to allow a limited rollover of FSA funds. Up to \$500 of unused FSA funds may now rollover to be used during the following plan year. You may be required to make an active new plan year election, check with your employer.

Underestimating is no longer the best way to use an FSA

Previously, estimating your healthcare expenses accurately and choosing the appropriate election amount was the stressful part of participating in an FSA. The fear of losing funds often kept employees from maximizing their tax savings, or they opted not to participate at all. The new rollover provision allows you to fully leverage the money-saving benefits of an FSA, stress-free.

So, if you thought an FSA wasn't for you in the past, it's time to give the new FSA a try. You have nothing to lose and only savings to gain.

The benefits of the new FSA rule:

- ▶ Rollover up to \$500 to the next plan year
- ▶ The rollover amount does not affect the following year's maximum contribution amount (you can still contribute up to the maximum allowance of \$2,650)
- ▶ 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!

Visit www.amben.com/fsa for more information.