

HEALTH FSA CARRY FORWARD



What It Is & How it Works

Employees who enroll in the **Health FSA** no longer have to worry as much about losing unused funds at the end of the plan year. The \$500 carry forward feature allows you to roll employee money into the next plan year, regardless of your current plan year election amount. The carry forward rule does not impact the maximum election amount for the following plan year. For instance, if you elect the full election amount of \$2,700, you can still rollover \$500 from the previous plan year. The carry forward will continue to roll into future years until the amount is exhausted. **PLEASE NOTE: The carry forward only applies to the Health Flexible Spending Account; it does not apply to the Dependent Care, Individual Premium or Adoption Accounts.**

Carry Forward Example: Let's say you have \$800 of funds available in your Health FSA on the last day of your plan year. \$500 of that money will be rolled over into a new account called "FSA Carry Forward." Then, \$300 would be available in the regular Health FSA (for claims incurred prior to the end of the plan year date) and \$500 would be available in the Health FSA Carry Forward account. If the \$300 is not spent by the end of your plan's run-out period, that amount will be forfeited. Only \$500 will be rolled over into your Health FSA per IRS guidelines. The carry forward cannot be cashed out or converted to another benefit.

How Claims Will Be Paid

1. Claims with dates of service in 2019 pay first from the regular 2019 FSA, then (when funds are exhausted) the FSA Carry Forward account.
2. Claims with dates of service in 2020 pay from the 2020 FSA first, then (when funds are exhausted) the 2019 FSA Carry Forward account.
3. After your run-out period for 2019 ends, any leftover money in the 2019 FSA Carry Forward account will be available in a new account under the 2020 plan year named FSA Carry Forward.
4. If you elect a 2021 Health FSA, funds will be exhausted from this plan first, then the 2020 FSA Carry Forward account.

P&A Group Customer Service

Customer service representatives are available Monday – Friday, 8:30 am – 10:00 pm ET. To speak with a representative, call (800) 688-2611 or chat with a rep online at www.padmin.com.