SelectAccount®

FSA $500 Rollover

The IRS modified the "use-it-or-lose it" rule in October of 2013. The new rule allows employers the option to allow employees to carry over up to $500 from the current plan year to their FSA for the following plan year.

How it works:

- **Must be offered by your employer.**
- **Up to $500 of the balance in your FSA at the end of your plan year will be rolled forward to the next FSA plan year.**
- **The rollover amount does not count towards the $2500 FSA contribution limit.**
- **The new rule does not affect the run-out period (the period of time following the end of the plan year during which employees can submit expenses incurred in the previous plan year). During the run-out period, the rollover amount remains available for prior plan year dates of service AND the new plan year dates of service.**
- **After the run-out, the rollover amount will no longer be available for prior year dates of service. The remaining rollover balance will now be considered part of the current plan year balance.**
- **The FSA balance over the $500 at the end of the plan year will be forfeited.**

If you have an FSA with money that rolls over, this disqualifies you from contributing to an HSA for the entire plan year unless the FSA is a post-deductible or limited (dental and vision) plan. If you have an HSA with SelectAccount, we will automatically make the FSA $500 rollover and any current year FSA funding post-deductible. If the HSA is not with SelectAccount, you must contact SelectAccount to make the FSA post-deductible in order to be eligible to contribute to the HSA.

P.O Box 64193, St. Paul MN, 55164 • 651-662-5065 • 800-859-2144