

THE NEW FSA CARRY OVER



On October 31, 2013, the US Treasury Department modified its flexible spending account (FSA) “use-it-or-lose-it” provision to allow carryover of FSA funds.

This is great news for you, because:

- Effective immediately, you can carryover up to \$500 of your unused FSA funds at the end of this plan year (2013)
- You can now carryover up to \$500 of unused FSA funds at the end of the 2014 plan year. (This is a change to what was communicated previously.)
- The money you put in an FSA is not taxed, so assuming you pay a combined 40% state and federal tax rate, you’re saving 40% off health care expenses funded through the account.

If you chose not to participate in the FSA program because of the “use it or lose it” mandate, it’s time to take another look.

BEFORE CARRY OVER

 **Jan 1** UP TO
\$2,500
AVAILABLE

MINUS MEDICAL, DENTAL, VISION EXPENSES

 **Dec 31** REMAINING BALANCE
\$450
AVAILABLE

\$0
AVAILABLE

NEW FSA CARRY OVER

 **Jan 1** UP TO
\$2,500
AVAILABLE

MINUS MEDICAL, DENTAL, VISION EXPENSES

 **Dec 31** REMAINING BALANCE
\$450
AVAILABLE

\$450
CARRY OVER

*This graphic is for informational purposes only. Plans vary by employer and this scenario may not be applicable for all employees.

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