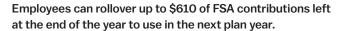
## Flexible Spending Accounts Employer Trends

## Rollover





## **Grace Period**

Employees can roll over their entire unused account balance into the following year to pay for medical expenses incurred during the first 2 months of the next plan year. After that time, the money is forfeited.

	the money is forfeited.			
Employer	Employee	PR0s	Employer	Employee
Less wasteful year-end FSA spending by employees to avoid losing funds Possible increased employee participation due to lack of worry over losing entire balance, resulting in increased employer FICA savings.	Carry-over balance of \$610 is available for the entire next plan year. Carry-over balance from one year could rollover year after year.		Possible increased employee participation due to having an additional 2 ½ months to incur expenses in a plan year.  Less wasteful year-end FSA spending by employees to avoid losing funds.	Potentially large balance at the beginning of a plan year allows the participant to pay for an expensive procedure. Ability for employee to have additional time to incur expenses, thus reducing the members potential forfeiture.
Employer	Employee	CONs	Employer	Employee
Reduced forfeitures or unused balances could decrease significantly, resulting in less funds being available to employers to help offset their FSA administrative costs.  Employees can carry-over their \$610 balances year after year, even if they don't contribute the following plan year. Employers would have to track the money continually, potentially creating additional administrative expenses.	Only \$610 can be carried over and used during the next plan year.  Have less money to preplan and pay for major healthcare expenses early in a plan year.		Reduced forfeitures or unused balances could decrease significantly, resulting in less funds being available to employers to help offset their FSA administrative costs.	Rollover balance is forfeited 2 ½ months into the new plan year.

If you have questions, just connect with your EVHC sales executive or client manager.

