

Flexible Spending Account (FSA) Carryover Provision

The PEEHIP FSA Carryover Provision allows members to roll over up to \$610 of unused funds remaining in their 2024 FSA at the end of the plan year to be used for qualified medical expenses incurred in the subsequent plan year. The FSA Carryover Provision does not apply to the Dependent Care Flexible Spending Account (DCRA).

Frequently Asked Questions

1. What is an FSA Carryover Provision?

It is an IRS approved provision that allows Health FSA participants to carryover a portion of unused funds from their previous year's FSA into the subsequent year's FSA.

2. What is the maximum amount I can carry over to use in the next plan year?

The maximum amount of unused funds you can carry over from the plan year ending September 30, 2023, is \$570. The maximum carry over amount from the plan year ending September 30, 2024, is \$610.

3. What if I have more than the allowable carryover amount in my Health FSA at the end of the plan year?

Any funds in excess of the allowable carryover amount remaining in the Health FSA after the timely filing period deadline will be forfeited. In other words, you will lose the excess funds.

4. What is the timely filing period?

Active members are allowed until January 15 following the end of the plan year to submit a reimbursement request for eligible expenses incurred by the end of the plan year.

5. When can I use the carryover funds?

The carryover funds are made available approximately 1 month after the timely filing period deadline. Once carryover funds are added to the account, members can submit a reimbursement request for any qualifying expenses that have been incurred during the new plan year and have not been reimbursed from any other source.

6. Is there a deadline to use carryover funds?

Yes; the end of the plan year into which it is carried. In addition, you must remain an active employee to use funds.

7. What if I terminate, retire or go on a leave without pay before the end of the plan year?

Any remaining carryover funds will be forfeited when your FSA cancels. This is typically when your employer contributions end. You may request reimbursement for eligible expenses incurred within the plan year while you were an active employee.

8. Does the carryover amount accumulate from year to year?

No.

9. Does the carryover amount reduce the maximum annual amount I can contribute to my FSA?

No. Members may still elect the full maximum annual contribution. The carryover funds will be added to the balance. Example: Member has a carryover amount of \$449 and elects to contribute the maximum allowable contribution for the 2024 plan year, \$3,050. The total amount available to use on qualifying medical expenses in the 2024 plan year is \$3,499.

10. Must I maintain receipts and supporting documentation?

Yes. The IRS requires that all FSA transactions are substantiated, even if the FSA consists only of carryover funds. Most transactions are automatically substantiated based upon data received from claims filed through your PEEHIP coverage. On occasion you may be asked to provide additional documentation such as an itemized receipt or detailed explanation of benefits form to certify the reimbursement. Failure to provide additional documentation requested will result in you having to return the funds used.

11. Am I required to re-enroll in the next plan year to use the carryover funds?

No. After the timely filing period, a **Rollover Only** account will be set up for active members with available carryover funds that do not re-enroll in the subsequent plan year. Keep in mind:

- You must be an active employee to use **Rollover Only** account funds.
- Any funds remaining in the **Rollover Only** account at the end of the plan year will be forfeited.
- If your employment status changes to terminated, leave without pay, or retired, the **Rollover Only** account will cancel the first day of the month after your employment status changes. Any remaining balance will be forfeited. You may submit a claim for any qualifying expenses incurred before the cancellation date.

12. How do I know if I have carryover funds available or if a Rollover Only account has been set up?

If you enrolled in the current plan year Health FSA during Open Enrollment, the carryover amount will be added to your new FSA account after the timely filing period deadline. You can check your balance at www.myhealthequity.com. If you enrolled in a Health FSA last plan year but did not re-enroll this plan year, you will be notified by HealthEquity, our FSA administrator, concerning your Rollover Only account available funds.

13. I did not re-enroll in the current plan year and now have a Rollover Only account, can I use my Flex Visa debit card to access my funds?

No. If you did not re-enroll for the current plan year your debit card will be deactivated. You must submit a Reimbursement Request along with supporting documentation to access funds.

14. Is there a similar Carryover Provision that applies to the Dependent Care FSA (DCRA)?

No. All expenses for the DCRA must be incurred by the end of the plan year. Any funds remaining in the DCRA after the timely filing period will be forfeited.

For additional questions please contact the plan administrator, HealthEquity at 877-288-0719. 24/7