

# A Rolling Medical FSA

*The same great plan, without the risk!*

## What is a Rolling Medical FSA?

A Medical FSA allows you to set aside money on a tax-free basis to pay for eligible out-of-pocket medical expenses. Typically, any unspent funds are forfeited at the end of the plan year. A change to FSA rules now allows employers, like yours, to offer a **Rolling Medical FSA**. With a Rolling Medical FSA, you are able to roll unused funds (up to \$500\*) from one plan year to the next. It is no longer a “use-or-lose” benefit. It is a “**use it now-or-use it later**” benefit.

## What does it mean for you?

### Less stress in determining an election.

A Rolling Medical FSA allows you to more freely estimate (or over-estimate) your anticipated medical expenses. In the past, you were required to precisely estimate how much you might spend. If you over-estimated, you were left scrambling to use funds at the end of the plan year or risked losing them.

### Higher savings

Every dollar you elect in a Rolling Medical FSA saves you \$0.30 to \$0.40 on your eligible medical expenses. If you have unused funds at the end of the plan year, the savings rolls into the next plan year.

### Sample Tax Savings

|                      | Starter Level | Average Election | High Election |
|----------------------|---------------|------------------|---------------|
| Election Amount      | \$500         | \$1,250          | \$2,600       |
| Tax Rate             | 30%           | 30%              | 30%           |
| Employee Tax Savings | \$150         | \$375            | \$780         |

### More time

The Rolling Medical FSA gives you the benefit of time. At some point we all have some eligible medical expenses, but we may not know when they will hit. The Rolling Medical FSA allows you to set aside tax-free dollars in anticipation of expenses.

### All the benefits without the risk

The Rolling Medical FSA provides all the benefits of an FSA with a lower risk commitment.

- Your current year election is available on the first day of the plan year.
- Your Rolling Medical FSA can be combined with any health plan.
- Available for use with any qualified medical expenses as outlined by your plan.

*\*Consult your plan documentation to verify eligible rollover amounts.*



## Getting Started

### Determining your Election

#### New to an FSA?

If this is the first time you are enrolling in an FSA, you might consider a “Starter Level” election of \$500 which ensures all funds would roll to the next plan year if you have no eligible medical expenses. If you have routine or known expenses, you will want to include these amounts in addition to the \$500 election amount.\*

#### Reenrolling in an FSA?

If you have had an FSA before, you may have a good understanding of your spending habits. If you have used all your FSA funds in past years, you may want to increase your election slightly.

#### Enrolling

Your employer will let you know how and when your Medical FSA enrollment must be completed.



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