



October 30, 2014

Dear FSA Participant,

Flexible spending accounts (FSAs) are now more compelling than ever before – thanks to a legislation change modifying the long-standing FSA “use it or lose it” rule. In October 2013, the US Department of Treasury modified the use it or lose it rule, giving you’re the option to rollover up to \$500 of unused FSA funds into the future plan year. This is very exciting news for all of our employees.

FSAs have always been a great tool to help pay for out-of-pocket healthcare expenses in a tax-advantaged manner. Now they are even more powerful. As a reminder, contributions you make to your FSA are deducted from your paycheck on a pre-tax basis – helping you reduce your taxable income and giving you a tax-free vehicle to help pay for out-of-pocket healthcare expenses.

The modification of the use it or lose it rule gives you the opportunity to rollover up to \$500, which introduces some great new advantages to FSAs:

- ▶ **Greater flexibility** – You can use your money when it makes sense, and when you truly need to - not just at the plan year end.
- ▶ **Reduced risk** – You no longer need to precisely budget FSA contributions. If you ‘over-budget’ your FSA, that’s ok – as the funds can be used next year.

Strengthened by the rollover policy change, the value of an FSA has never been greater. Whether you’re an experienced FSA participant, or you’re considering an FSA for the first time, the rollover change makes FSA more flexible and risk averse – helping you best maximize your tax savings and healthcare spending dollars without the risk of losing money.

### **Get Started – Enroll in an FSA Today.**

To learn more about the advantages of FSAs, and the additional value created by the rollover policy change, contact your Flex Division Rep. at 800-437-3539 or [flexdivision@flex-admin.com](mailto:flexdivision@flex-admin.com).

Sincerely,

Flexible Benefit Administrators, Inc.