

## Health Flexible Spending Accounts (FSA) Rollover Provision Employer's Top 10 List of Facts to Consider

1. An **amendment is required** to add the rollover provision. The amendment must be adopted on or before the last day of the plan year from which amounts may be carried over and will be retroactive to the first day of the plan year, provided the plan operates in accordance with the guidance under Notice 2013-71 and informs participants of the carryover provision. Plans ending 12/31 can still amend for 2017; the amendment must be adopted on or before the last day of the plan year that begins in 2018.
2. Employers have choices. The **rollover provision is optional** and employers may allow **up to** \$500 for rollovers.
3. If an employer takes advantage of retroactive amendments (e.g., amending in current plan year), **employees must be notified** of the carryover provision and employers must operate plan in accordance with the guidance under Notice 2013-71.
4. The rollover provision is an alternative to the grace period. A plan document with an existing grace period provision must be amended to **eliminate the grace period** when adding the rollover provision.
5. The rollover amount does not affect the maximum contribution limit for the immediately following plan year. Participants can continue to elect up to the maximum plan limits as specified in the plan document.
6. Call Goldleaf Partners to assist with **open enrollment communications**. And remember, plans that amend in plan year 2017 retroactive to the first day of the plan year must inform participants of the carryover provision.
7. The rollover amount can be used for prior year claims during run out as well as during the entire plan year in which it is carried over.
8. The carryover does not apply to dependent care spending accounts.
9. Reference Notice 2013-71 for full discussion on the modification of the "use-it-or-lose-it" rule. <http://www.irs.gov/pub/irs-drop/n-13-71.pdf>
10. Call Goldleaf Partners at 602.247.7608 or email [lorim@goldleafpartners.com](mailto:lorim@goldleafpartners.com) to start the amendment process.