The new Health Care FSA Carryover feature allows the carryover of any remaining balance up to $500 from your 2015 Health Care FSA to your 2016 Health Care FSA. The information below describes how this change may affect you.

- Effective with 2016 plan year, if you have $500 or less in unused 2015 Health Care FSA funds, those funds will automatically carry over into your Health Care FSA for 2016.
- This new Carryover provision replaces the 2½ month grace period provision.

Questions and Answers:

1. **Who is eligible for the Carryover?**
   Active employees with a Health Care FSA who have unused funds in their account as of December 31, 2015 will be eligible to carry over funds.

2. **How much can/will be Carried over?**
   Any remaining balance up to $500 will be carried over into the 2016 Health Care FSA.

3. **Why are we replacing the 2 ½ month grace period currently in use with a Health Care FSA?**
   This new Carryover provision offers greater flexibility that was not available under the IRS law in prior years. In order to provide this more flexible feature, the IRS requires that we eliminate the 2½ month grace period for our Health Care FSA participants when adopting the carryover.

4. **When will the Carried over Health Care FSA funds be available for use?**
   Carried over funds will be available to use as of January 1, 2016. In order to use the expenses, you must submit claims via online, fax, or mail. The funds will not be loaded to the Debit Card until after the runout period of March 31, 2016 is over. You may use your Debit Card on January 1, 2016 for any expenses incurred in 2016, current plan year funds will be drawn down first (if applicable), and then 2015 carried over amounts will be used.

5. **Will Debit Card elections be updated to reflect the Health Care FSA Carryover amounts?**
   Yes, you may access the carried over funds using your debit card after the 2015 run out period has closed.

6. **Does the Carryover apply to the Dependent Care FSA?**
   No, the Carryover only applies to the Health Care FSA, not to the Dependent Care FSA. The Dependent Care FSA will still have the grace period through March 15th.

7. **If I do not elect a Health Care FSA for 2016, but I have leftover Health Care FSA funds from 2015, will those funds be carried over into a 2016 FSA?**
   Yes, for active employees, even if you do not elect a Health Care FSA for 2016, any unused available balance from 2015, up to a limit of $500, will be carried over for you to use during 2016.

8. **I may want to elect to contribute $2,550 (the maximum allowed amount) into the Health Care FSA for the 2016 plan year. If I have funds from my 2015 Health Care FSA to carry over, won’t my Health Care FSA exceed the $2,550 maximum?**
   Yes, but it is allowable for your Health Care FSA account to exceed the $2,550 maximum annual deferral as long as no more than $2,550 is deducted from your pay on an annual basis.