

## How our Health FSA Carryovers Work

The Health FSA carryover feature allows you to keep and use some of your unused health Flexible Spending Account funds from the previous plan year instead of losing them. Any unused amounts exceeding the maximum carryover limit are forfeited.

After the claim run-out period (January through March), a limited amount of unused funds can be carried over into the new plan year to reimburse eligible medical expenses incurred during that new year. This helps prevent forfeiture of all unused funds and provides more flexibility in managing your healthcare expenses. However, any unused amounts exceeding the maximum carryover limit are forfeited, and you must re-enroll in the new plan year to be eligible for the carryover.

If you do not re-enroll for the new plan year, you are not eligible for the carryover.

### How Does the Carryover Work?

- The amount that you can carry over is based on the amount remaining at the end of the run-out period for that plan year (i.e., after all expenses for that plan year have been reimbursed). The run-out period is from January through March.
- At the end of the run-out period, unused amounts in excess of the maximum carryover amount are forfeited, and the remaining amounts can be used to reimburse eligible expenses incurred during the new plan year.

### Ordering Rules for Health FSA Carryovers

- During the run-out period, the plan will reimburse current-year claims first from current-year amounts. Using current-year contributions first leaves potential carryover amounts available to reimburse prior-year expenses submitted during the run-out period.
- If you're enrolled in the health FSA for the 2026 plan year:
  - For 2026 dates of service, 2026 funds will be used first. Once 2026 funds have been spent, 2025 carryover funds will be used.
  - For 2025 dates of service, you cannot use the debit card because it uses current year funds. Claims for 2025 dates of service should be submitted using the WEX portal or app.
  - Approximately 5-15 days after the run-out period ends, any remaining 2025 funds (up to the annual carryover maximum) will be moved to your 2026 account and can only be used for 2026 dates of service.
- If you did not re-enroll for the 2026 plan year, you are not eligible for the carryover.
  - You can submit claims for dates of service in 2025 during the runout period (January through March 2026). Claims should be submitted using the portal or app because your debit card will be turned off at midnight December 31, 2025.

### Health FSA Carryovers When You Newly Elect an HDHP Option in 2026

- A carryover in a health FSA makes you ineligible to contribute to an HSA for the entire new plan year. However, that can be avoided if the plan allows the unused amounts to be carried over to an HSA-compatible health FSA. An HSA-compatible health FSA is called a **limited purpose health FSA**, and it only reimburses dental and vision expenses.
- Our plan requires that colleagues who have a balance in their general-purpose health FSA at the end of the plan year AND who newly elect a qualified HDHP for the next year are automatically enrolled in our limited purpose health FSA. Any unused amounts will automatically be carried over to that limited purpose health FSA.
- Unused amounts from the general-purpose health FSA that are carried over to the limited purpose health FSA may still be used during the run-out period to reimburse medical expenses incurred during the previous plan year.