



## FSA Plan Update

### Carryover of Unused Plan Year Balances

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On December 27th, 2020 H.R. 133 - Consolidated Appropriations Act (CAA) was passed to allow temporary changes to Section 125 cafeteria plans to assist with the response to the COVID-19 outbreak. Your employer's plan has been amended to allow the following election changes. Carryover of unused Health FSA and DCA 2020 balances into 2021 plan year. Carryover amounts are in addition to any 2021 elections.

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#### Examples:

- ✓ John is enrolled in his company's Health FSA which started January 1, 2020. John has a remaining balance of \$1,250 in his health FSA for the 2020 plan year ending December 31, 2020. Allegiance will rollover John's unused balance of \$1,250 into their 2021 account. This unused balance can be used for eligible medical expenses in 2021 and also be used for 2020 eligible claims during the 2020 runout.
- ✓ John is enrolled in his company's DCA FSA which started January 1, 2020 John has a remaining balance of \$2,500 in his DCA for the 2020 plan year ending December 31, 2020. Allegiance will rollover John's unused balance of \$2,500 into their 2021 account. This unused balance can be used for eligible DCA expenses in 2021 and also be used for 2020 eligible claims during the 2020 runout.

**Important Note: Carryover of unused 2020 Health FSA balances could impact Health Savings Account (HSA) eligibility for 2021.**

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#### If you have questions contact us:

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