



# Employee FAQ:

## Flexible Spending Accounts Grace Period

### What is a Grace Period for my FSA?

Per IRS regulations, your employer may offer a grace period feature of your healthcare or limited FSA account.

A grace period is where you are able to spend the remaining funds in your FSA account before a certain date determined by your employer. Your employer can offer up to a 2 ½ month grace period.

### How long do I have to submit documentation after my grace period?

The run out period is determined by your employer. You are able to submit documentation for expenses incurred during the plan year and grace period during what is referred to as a “run out period.” Confirm with your employer the run out period they are offering.

### If I have funds left over after the grace period and run out period, can I carry over those funds?

No, per IRS regulations, a grace period cannot be paired with a carryover. After the run out period is complete, the remaining funds will be forfeited to your employer.

### Does the grace period apply to a Dependent Care FSA?

Yes, your Dependent Care FSA account is eligible for the grace period. You will be able to incur dependent care expenses during this period. Your run out period will apply to this account too.

### If I enroll in FSA for the next plan year, what plan year are my funds pulled from during the grace period?

Your transactions will be pulled from the previous plan year during the grace period. Once the grace period has ended, you will have a certain timeframe to submit receipts during the run out period.

Once the grace period has ended, all transactions will be pulled from your current plan year and the remaining funds from the previous plan year will be forfeited to your employer.

### I want to enroll in an HSA next year. How do I do that with a grace period?

You must spend down your funds BEFORE the grace period. If you spend money during the grace period, you will not be eligible for an HSA until the following year.

**Questions? Call 888-318-7472**