

## The FSA Grace Period: What you need to know

Your Health Care Flexible Spending Account (FSA) contains the grace period provision. This gives you a period of time to claim FSA expenses incurred early in the new plan year against the prior year's remaining balance. The grace period length is set by the plan, but it is typically somewhere around two months after the end of the plan year. Check your plan documents to find your plan's grace period date. Note: Some employers also offer a grace period for the Dependent Care FSA.

During the grace period, the prior year's funds are used first before we start disbursing from the new year's funds. This gives you the best opportunity to spend your prior year's balance completely. Claims are processed in the order in which they are received. We will not reprocess claims to move them from one plan year to the next. Therefore, during the grace period, we recommend you submit your prior plan year expenses before submitting new plan year expenses.

Here's an example, using a calendar year plan with a grace period early the next year. At the end of the year, let's assume you have \$600 left in the prior plan year.

Item	Prior Plan Year Money	New Plan Year Money
On January 5, you submit a \$200 claim for an expense incurred in September.	\$200 is reimbursed from this balance.	
On January 10, you submit a \$250 claim for a January 5 dental bill.	\$250 is reimbursed from this balance.	
On February 1, you submit a \$200 claim for a January 10 medical expense.	\$150 is reimbursed from this balance.	You have now spent all your prior year's balance. The remaining \$50 comes from the new plan year.
On February 15, you submit a claim for a \$100 medical expense from November.	There is no more money in this plan year. <b>The claim is denied.</b>	You depleted the prior year account, and since it was a prior year expense, it can't be reimbursed from the new year's money.

**There is still a run-out period after the end of the plan year.** Your plan also has a run-out period after the end of both the plan year and the grace period for you to submit claims against the prior plan year. Please see your Summary Plan Description (SPD) for information on the specific run-out period for your plan. Once the run-out period is over, any money you have left in the prior year's account is forfeited.

### CONTACT INFORMATION

Aptia Participant Services representatives are available Monday through Friday 8 am to 9 pm ET.

Phone: (866) 268-0142

Fax: (844) 791-8319

Web: [www.yourflexbenefits.aptia365.com](http://www.yourflexbenefits.aptia365.com)



The information contained herein is considered to be general in nature. In the event that anything on this flyer differs from the information contained in your company's plan provisions as set forth in the Summary Plan Description and/or Plan document, those documents shall prevail.