Plan Year Balance

Participants determine the amount to elect for a Health Flexible Spending Account (FSA) at the beginning of the plan year. What happens if all of the money elected is not used by the end of the plan year?

FSA participants will also have a run-out period following the end of the plan year or after the employee term date to submit expenses that were incurred during the plan year (see rules below from the FSA plan document). It is important to estimate expenses carefully before making an election.

isolved Benefit Services will provide a statement at the beginning of the fourth quarter of the plan year to assist with monitoring your FSA account balance. Minimize possible forfeitures by scheduling routine exams, purchasing glasses or contact lenses and scheduling dental appointments, etc., at the end of the plan year to use up your election amount.

Run-out Period: The run-out period is the period during which expenses incurred during a Plan Year must be submitted to be eligible for reimbursement.

1. The run-out period for active employees ends 90 days after plan year ends.
2. The run-out period for terminated employees ends 90 days after termination date

Participants in the FSA may submit claims for reimbursement for Eligible Medical Expenses incurred during the Plan Year and before the date of participation in the FSA ceases so long as the claim is submitted prior to the end of the run-out period explained above. Unless a COBRA election is made to continue the FSA, Participants shall not be entitled to receive reimbursement for Eligible Medical Expenses incurred after employment and/or eligibility ceases. Any unused reimbursement benefits at the expiration of the Plan Year will be forfeited.

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