



Spending Account Grace Period

More Time To Use Your Flexible Spending Accounts

The Grace Period allows you to spend unused Health Care Spending Account (HCSA) or Dependent Care Spending Account (DCSA) funds after the end of the plan year. The ability to spend unused funds after the end of the plan year reduces the impact of “use it or lose it” rules for your Flexible Spending Accounts (FSAs).

The grace period is up to two and a half months after the end of the plan year. Our plan also allows a run-out period, which means that you have until the last day of the run-out period to submit claims. Any amounts remaining after the grace period and/or run-out period will be forfeited under IRS rules. For full details regarding our run-out period and/or grace period, please review the Summary Plan Description.

IMPORTANT! We have adopted a “most favorable” reimbursement ordering rule that is considered during the grace period. This means that any claims you submit will be reimbursed out of the first available funds. For example, let’s assume you have a \$250 balance remaining in your Health Care Spending Account at the end of the prior plan year. You have also elected \$2,000 for the new plan year. After the new plan year begins, you have a \$2,000 expense and submit the claim promptly. This claim will be reimbursed as follows:

- ▶ \$250 will be reimbursed from the prior plan year.
- ▶ \$1,750 will be reimbursed from the current plan year.

Example			
Plan A	Prior Plan Year	\$250	Balance
Plan B	New Plan Year	\$2,000	Election
EXPENSE - JANUARY 15 OF NEW PLAN YEAR - \$2,000			
Plan A	Reimbursement	\$250	Pays First
Plan B	Reimbursement	\$1,750	Pays Next

If you later discover and submit other HCSA expenses incurred during the prior plan year, WageWorks, formerly Creative Benefits will reprocess your previously submitted claims. This assures that you will have the maximum reimbursement (and least forfeitures) from your FSA. Claims are initially always reimbursed on a first in, first out basis regardless of the incurred date. However, during the remainder of the run-out period, each claim you submit to WageWorks will be evaluated against other claims reimbursed during the same period of time to see if your reimbursement can be further maximized.

If you have any questions regarding the grace period, please see our Human Resources or Benefits department.

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