How Does the Flexible Spending Account Grace Period Work?

The grace period works together with the prior plan year like this:

1. **Prior plan year**
   - The amount you choose to contribute from each paycheck is put into your Flexible Spending Account
   - You submit claims for any eligible services received or merchandise purchased after the date your plan year began

2. **Grace Period** (begins the day after your prior plan year ends)
   - You may continue to receive services and be reimbursed from money still in your prior plan year account
   - During the grace period all claims will be paid from your prior plan year funds until they are gone. Therefore, you should wait to submit claims dated during the grace period until you are sure you have no remaining claims to submit from the prior plan year. We cannot change the plan year of your claim once it is paid
   - When your money for the prior plan year is gone, no more claims for services received during that plan year will be paid. All further claims from the new plan year will begin to be paid from money in your new plan year account

3. **Runout period** (overlaps grace period)
   - If there are funds remaining in your account from the prior plan year, you may submit claims for expenses dated during that year or the grace period
   - You are reimbursed from the money remaining from the prior plan year. When your money for the prior plan year is gone, no more claims for services received during that plan year will be paid
   - Claims dated during the new plan year will be paid from money in your new plan year account

4. **New plan year** (overlaps grace period and runout period)
   - You re-enroll in the Flexible Spending Account and the amount you choose to contribute from each paycheck is put into your Flexible Spending Account for the new plan year
   - You submit claims for any eligible services received or merchandise purchased on or after the starting date of the new plan year

**Important Points**

No matter how you submit a claim, the IRS requires that you prove it was for a valid expense. Your receipt, Explanation of Benefits (EOB), or bill must provide the date of the expense, a description of the item or service, the name of the store or provider and the amount you paid.

The IRS does not allow us to pay claims for doctor’s retainer fees (VIP fees), medical services before they are provided (such as your expected costs as shown on dental estimates) or cosmetic merchandise or procedures such as tummy-tucks or teeth-whitening.

Call Customer Service, 513.459.9997 or 800.982.7715 to find out the exact dates of the grace and runout periods of your plan.

3510 Irwin Simpson Road
Mason, OH 45040
Tel: 513.459.9997 | 800.982.7715
Fax: 513.459.9947 | 888.245.8452
Email: askpenny@chard-snyder.com
Website: www.chard-snyder.com