

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?

Based on the employer's plan, participants will have a grace period to spend down any money left in an FSA account or carry over funds into the next plan year. The IRS has issued guidance that allows up to \$500 carryover to the next plan year. However, employer plans cannot offer both options.



FSA participants will also have a run-out period following the end of the plan year to submit expenses that were incurred during the plan year. It is important to estimate expenses carefully before making an election. Infinisource 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.