

# 2016 Grace Period Notice

## Flexible Spending Accounts (FSA)

The State of Delaware has adopted the 2<sup>½</sup> month grace period for incurring Flexible Spending Account (FSA) claims as allowed by the IRS. This means that you have until March 15, 2017 to incur claims against your 2016 Health Care FSA and Dependent Care FSA. This extension of time to incur expenses reduces the chance for any forfeitures, as every twelve month plan year is, in essence, 14<sup>½</sup> months.

### Am I eligible to participate in the 2016 Grace Period?

If you are an active participant as of December 31, 2016 for the 2016 FSA Plan Year, you may continue to incur expenses through **March 15, 2017** in order to use any remaining funds in the 2016 FSA Plan Year.

### How are claims applied during the 2016 Grace Period?

All FSA claims for services provided January 1, 2016 through March 15, 2017 will **automatically be applied and processed from the 2016 plan year first** if filed by the claims filing deadline. If your claim exceeds the available funds from the 2016 Plan Year, any excess will be automatically applied to the 2017 Plan Year.

- ↳ **Example 1:** *Kristen has \$50 remaining in her medical FSA at the end of the 2016 plan year and has no more expenses to submit with dates of service during the actual plan year. Two weeks after the end of the plan year, Kristen goes to her dentist and incurs a charge of \$145. She submits a claim to ASIFlex. ASIFlex processes the claim and \$50 is applied to the remaining balance from the 2016 plan year, and \$95 is applied to the 2017 plan year's balance.*
- ↳ **Example 2:** *Kristen submits the claim for her \$145 in dental expenses, but, knowing that she has a charge from the hospital for services provided during the past year, but has not received the statement yet, Kristen wants the entire \$145 to be applied to the current year. Kristen includes a note with the claim packet asking to apply the entire dollar amount to the new plan year. ASIFlex applies the entire reimbursement request to the new 2017 plan year.*

### When is the deadline to submit claims for the 2016 Grace Period?

The **deadline to submit claims is April 15, 2017** for **ALL** allowable expenses incurred during the Plan Year January 1, 2016 through December 31, 2016 and the accompanying Grace Period January 1, 2017 through March 15, 2017. **After April 15, 2017, your account will be closed and any balance remaining will be forfeited to the State of Delaware in accordance with federal regulations.**

Additional information regarding the Grace Period can be located in the "2016 Guide to Your FSA Benefits" at [www.ben.omb.delaware.gov/fsa](http://www.ben.omb.delaware.gov/fsa).



### Contact ASIFlex or Statewide Benefits Office (SBO) with Questions:

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