



## Understanding Your 2022 FSA Grace Period

### What is a Grace Period?

The FSA Grace Period is an extended period of coverage at the end of every plan year that allows you extra time to incur expenses to use your remaining Flexible Spending Account balance after the close of the plan year. The Grace Period is 2 ½ months long (for plan years ending 12/31 it is through March 15th of the following year)

### What Does this Mean?

This means you have until March 15, 2023 to **incur** claims against your 2022 FSA funds. An easy way to think about this program modification is that every 12-month plan year is actually 14 1/2 months long!

Only those who have FSA coverage through December 31, 2022 can continue to incur claims against the 2022 plan year for services provided through March 15, 2023.

All FSA claims for services provided January 1, 2023 through March 15, 2023 will **automatically be processed against the 2022 plan year first** if filed by the claims filing deadline for that plan year, unless you request otherwise. If your claim exceeds the available funds from the 2022 plan year, any excess will be automatically applied to the 2023 plan year.

**Please note:** As you use your FSA benefits card to pay for expenses during the FSA grace period, the transaction will pull funds first from the prior plan year (until exhausted), then will start to pull from the current plan year balance.

**Example 1:** Kristen has \$50 remaining in her medical FSA at the end of the 2022 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 HRPro. HRPro processes the claim and \$50 is applied to the remaining balance from the 2022 plan year, and \$95 is applied to the 2023 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 billing 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. HRPro, Inc. claim processor applies the entire reimbursement request to the new 2023 plan year.