STERLING
ADMINISTRATION

FSA ROLLOVER, GRACE PERIOD AND RUN OUT

We get it! FSAs have LOTS of rules, limits and special jargon. Let Sterling simplify it all for you, so you can spend your money wisely and make the most of your FSA.

Below are definitions – remember to check with your HR Team to determine which, of any of the below FSA situations you have.

WHAT IS AN FSA ROLLOVER?

If your plan has a rollover, you may move $550 of unused FSA funds to the following plan year.

The rollover doesn't affect the following plan year's maximum contribution amount. You can still contribute up to the annual limit allowed, even if you roll over funds. Your entire annual contribution is still available at the beginning of the plan year.

Run-out periods are not impacted by the rollover.

WHAT IS A RUN-OUT PERIOD?

If your FSA plan has a run-out period, you have an extended time at the end of the FSA plan year to submit receipts for reimbursement. You can only get reimbursed for claims incurred during the previous FSA plan year. The run-out period is usually 90 days after the plan year ends.

WHAT IS A GRACE PERIOD?

If your FSA plan has a grace period, you have up to two-and-a-half months at the end of your plan year to spend unused FSA funds and incur new FSA eligible expenses. Any money that's leftover at the end of the grace period is forfeited due to the "Use it or Lose it" rule. You cannot cash out any remaining FSA funds, as money can only be used for FSA eligible expenses. For example: If you had a December 31 FSA year deadline, your grace period would allow to use your FSA funds through March 15. A grace period is optional, and the specific deadline also depends on when your plan year ended.

LEARN MORE!

For more information on Healthcare FSAs and how they work contact us at Sterling Administration Monday – Friday from 8 am to 5 pm Pacific time at benefits@sterlingadministration.com or **800-617-4729**. You can also find more information at www.sterlingadministration.com.