

Grace Period Explained

What is a Grace Period?

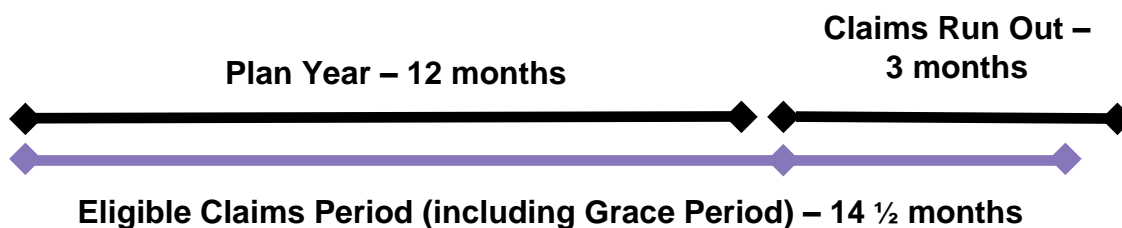
A Grace Period is one option employers may include with their medical Flex Spending Accounts (FSA, LPF, LP2). It allows participants up to 2 ½ months beyond the end of their plan year to incur expenses and submit claims using the previous year's balance.

No Grace Period Plan Year



Within the 12 month time period of your plan year, you may incur and submit claims for that period. You then have the following 3 months (or Run Out period) after the plan year to submit your claims for the previous plan year.

Grace Period Plan Year



Within the 12 month time period of your plan year, you may incur and submit claims for that period. Overlapping with the Run Out period, you also have the following 2 ½ months after your plan year to incur expenses. **This allows you 14 ½ months total to incur expenses and submit them by the end of the 3 month Run Out period.**