

HEALTH BENEFITS E-NEWS

*Department of Human Resource
Management
Office of Health Benefits*

June 10, 2020

A Flexible Spending Account (FSA) Grace Period has been added for the 7/1/2019 – 6/30/2020 plan year.

In an effort to meet the needs of our employees during these extraordinary times, the Commonwealth is adding a one-time Grace Period to the 2019-2020 FSA Plans which will extend the period to incur claims until October 31, 2020.

Grace Period Q & A

Q1. What is a Grace Period?

A1. A Grace Period is a predefined time frame after the plan year ends that enables participants to spend down any remaining funds from the previous plan year.

Q2. How does this apply to state employees?

A2. State employees who are enrolled in the HFSA or the DCFSA on June 30, 2020 and have a balance remaining may continue using those funds to file for claims incurred from **July 1, 2020 through October 31, 2020**. All claims must be submitted by **November 30, 2020**, in order to be eligible for reimbursement under the Grace Period.

Q3. Does the Grace Period apply to me if I canceled my FSA prior to June 30th?

Q4. No, it only applies to those participants with an active FSA on June 30th.

Q4. How do I get reimbursed from my previous plan year funds?

Q4. You may use your FSA card, file claims online, or file paper claims.

Q5. Can I use my FSA Card to pay for the previous plan year expenses?

A5. Yes, the FSA card can be used to reimburse expenses for the plan year starting July 1, 2020, as well as expenses for the previous plan year. Previous plan year funds are used first and the FSA card may only be used through September 15, 2020 for these funds. You will need to file online or submit paper claims for eligible expenses from September 16, 2020 to October 31, 2020 to be reimbursed using previous plan year funds.

Q6. How do I obtain paper claim forms?

A6. You may log in to www.payflex.com or call customer service at 1-855-516-8595.

Q7. Can I roll any remaining funds after October 31 into the 2020-2021 plan year's account(s) at the end of the Grace period?

A7. No, there is no rollover provision with the state's FSA program.

- Q8. What if I didn't re-enroll in the FSA(s) for the 2020-2021 plan year?**
A8. The grace period applies to anyone who was enrolled on June 30th. If you didn't re-enroll, your HFSA card will be deactivated and you will need to file paper claims.
- Q9. What if school, daycare etc. is not back in session by next fall? Can I get a refund then?**
A9. No, you may decrease or cancel your DCFSA going forward. The election request must be received within 60 days of the change in your Dependent Care expenses, along with documentation of the change in expenses. **If you do not have the documentation, do not miss your deadline. The documents can be submitted later.**
- Q10. What happens if I inadvertently have a claim paid from both plan years?**
A10. The vendor system will prevent this from happening. It is programmed to use the previous plan year funds first.
- Q11. I planned carefully for my expenses in the new plan year. If I am reimbursed for some of these expenses with last year's funds, can I change my election?**
A11. No, 2020-2021 FSA elections can only be changed with a valid qualifying midyear event.

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