

UC Health 2017 Health Care Flexible Spending Accounts

Effective with the January 1, 2017 plan year, UC Health has amended its Health Care Flexible Spending Account to allow for a Grace Period.

A FSA grace period allows employees an additional two-and-a-half months to incur new expenses using prior plan year FSA funds. At the end of the grace period, all unspent funds are forfeited. In other words, the 2017 Health FSA plan year ends on December 31, 2017. The grace period is two months and 15 days. Beginning January 1 through March 15 of 2018, employees can incur expenses and use remaining funds from the 2017 plan year.

In addition to the new grace period UC Health will continue to offer a 90-day run-out period, which allows employees until March 31 to file all expense claims for the prior year.

As UC Health will offer a grace period option and a run-out-period, both periods overlap and expenses incurred during the grace period must be claimed before the run-out-period ends. As example, an expense incurred on January 15, 2018 must be submitted for reimbursement no later than March 31, 2018 if remaining 2017 funds are to be used.

Lastly, the IRS has increased the pre-tax salary reduction limit for health FSAs to \$2,600 for the 2017 plan year. UC Health adopted the new 2017 limit and updated programming to reflect the new limit just prior to opening 2017 annual benefits enrollment.

2017 Plan Year

- Employees have from January 1, 2017 through March 15, 2018 to incur plan year 2017 health care claims.
- Employees will have until March 31, 2018 to file all health care claims for the 2017 plan year.