

Understanding Your Medical Flexible Spending Account: Carryover Funds, Run-Out Period and Your Debit Card

How Does Medical FSA Carryover work?

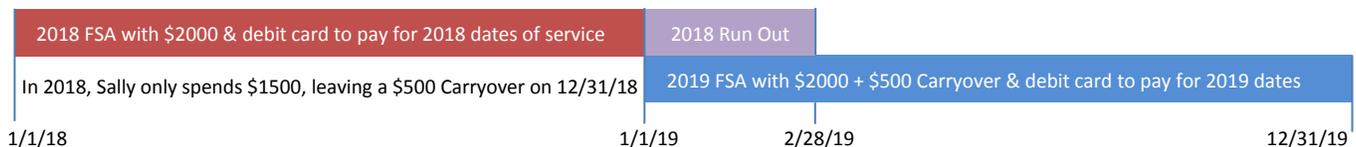
Sally’s Medical FSA has a January through December plan year and allows participants to carryover up to \$500 of unused election dollars at the end of the plan year. Sally also has a debit card for her Medical FSA.



Sally elected \$2,000 on January 1, 2018, and by December 31, 2018 she used \$1,500 of her funds. Sally is allowed, under the Carryover provision that her employer adopted, to “carryover” the remaining \$500 into the 2019 plan year. \$500 is automatically deposited into her 2019 FSA and is available right away. It gets added to the new \$2000 election she made effective January 1, 2019.

How do the Carryover dollars work at the end of the plan year and the Run-out period?

Sally’s plan also has a “run-out period” of 60 days after the end of the plan year. Sally has until February 28, 2019 to submit any expenses incurred during 2018. **During the 60 day run-out Sally’s \$500 carryover is available for BOTH 2018 and 2019 dates of service!**



Now it’s 2019 – How can Sally pay for a 2018 Expense?

On February 1, 2019, Sally receives a \$150 bill for lab work done on December 29, 2018. She has \$500 Carryover she can still use toward 2018 expenses, as long as she seeks reimbursement before the 60-day run-out period ends on February 28, 2019. Sally also has a Medical FSA Debit Card.

Question: Can Sally use her FSA Debit Card in February 2019 to pay the lab bill incurred in December 2018?

Answer: No, she cannot!

Federal rules require that the FSA debit card only be used for expenses incurred in the current plan year. Sally’s \$150 lab bill is eligible for reimbursement, but not via her FSA Debit card. Sally can submit her 2018 claim before the Run-Out expires on February 28, but she must submit it using one of the following methods:

1. On-line via the participant portal;
2. Use the GDI Mobile App from her phone or tablet;
3. Complete a Reimbursement Request form and submit it to Group Dynamic, Inc. via e-mail, fax or mail.

She can pay the lab bill using a personal check or personal credit card, but not her FSA Debit Card.