

GRACE AND RUNOUT PERIODS

More time to spend your FSA funds.

During the **Grace Period**, you may continue to incur eligible plan expenses, then request reimbursement during the **Runout Period**.

Less risk of forfeiture.

Your employer has elected a Grace Period to give you additional time after your benefit plan year ends to incur and pay for eligible expenses from your remaining FSA balance against the just-ended plan year. With more time to use your funds, the risk of forfeiting unused contributions is reduced.

The Grace Period for your benefit plan is **75 days** (two months plus 15 days). For GIC members whose plan year aligns with the Commonwealth's Fiscal Year, the Grace Period for the prior plan year is 7/1-9/15.

Your benefit plan also includes a Runout Period, which goes for **30 days** after the Grace Period ends. During the runout period, you can be reimbursed for expenses incurred in the previous plan year, plus the Grace Period. For GIC participants, the Runout Period is from 9/16-10/15 each year.

Be money smart. Enroll in an FSA today!

Enrolling in an FSA is a savvy way to save money on qualifying healthcare and dependent care expenses. And don't forget, over-the-counter (OTC) medical supplies and feminine care products are now eligible under the Healthcare FSA without prescription.

If you anticipate any eligible out-of-pocket expenses during your plan year, why not use pretax dollars to pay for them? It reduces your taxable income and increases your take-home pay. The more you elect, the more you save in taxes!

With the Grace and Runout Periods, you have more time to incur expenses and spend your contributions so you don't lose them.

How It Works

If you didn't spend all of your previous plan year funds, you can continue to incur eligible expenses during the Grace Period—from the first day of the new plan year until the **Last Day for Spending**—to use up your remaining balance. For the FY25 (Fiscal Year 7/1/24-6/30/25) plan year this is 9/15/25. For the FY26 (7/1/25-6/30/26) plan year this is 9/15/26.

After that, the Grace Period is over, and you have until the **Last Day for Submitting Expenses** to request reimbursement for eligible expenses you incurred during the previous plan year, plus the Grace Period. **This is always 10/15 each year.** (FY24 is 10/15/25. FY25 is 10/15/26.)

Then, any remaining unused funds are forfeited.

Grace Period expenses are reimbursed from your previous plan year funds first, to spend those down. Once those are gone, because the date of service is also within the new plan year, your current elected contribution will then be applied (if you re-enrolled).

Refer to your benefit plan account summary or your Summary Plan Description (SPD) for details.

