

# TOWN OF MILLBURY

## *Flexible Spending Accounts*

### Glossary – Plan Years, Grace Periods, Run-Out Periods

**Plan Year** – Period for which you pick an election (generally 12 Months). Participants make a plan year \$ election and incur expenses during that plan year that apply toward their election.

**Grace Period** – Period *beyond* the end of the plan year when a participant who has not used all of their election *can continue to incur expenses* toward the prior year's election.

**Run-Out Period** – Period *beyond* the end of the plan year when expenses that were incurred during the Plan Year (*or during the Grace Period*) but not reimbursed, can still be submitted for reimbursement.

**Carryover** - This was introduced in 2014 to replace the *Grace Period*. Any amount up to \$500 that is unused could be carried over and is available for the entire new plan year. **NOTE:** *You may hear about this option BUT the Town has elected NOT to use this option and use the GRACE PERIOD described above.*

**“Current” Plan Year:** July 1, 2016 through June 30, 2017

- \$2,550 Medical Maximum
  - \$5,000 Dependent Care Maximum
- a. **Grace Period:** Through September 15, 2017
- b. **Run-Out Period:** Through September 30, 2017

**“New” Plan Year:** July 1, 2017 through June 30, 2018

- **\$2,600** Medical Maximum (*Note “NEW” Maximum*)
  - \$5,000 Dependent Care Maximum
- a. **Grace Period:** Through September 15, 2018
- b. **Run-Out Period:** Through September 30, 2018