



2 ½ Month Extension

2 ½ Month Extension is when a company offers for two months and fifteen days after a plan year ends, any remaining FSA funds left on a prior FSA plan year, to pay first.

Using the below as an Example:

- Previous Plan year: 1.1.2017 to 12.31.2017
- Current Plan year: 1.1.2018 to 12.31.2018

2 ½ month extension in effect - until 3.15.2018 – This allows FSA participants the use of their flex card and/to file for reimbursement, 2017 and/or 2018 dates of service, up until 3.15.2018, and the expenses will pay from 2017 unused FSA funds, first. See examples below.

Example:

- John Doe has \$500 left in his “Previous” 2017 FSA plan with CPN.
- He needs to see the doctor on January 15, 2018 (2018 Date of Service).
- John may use his flex card for his doctor appointment and the funds will pay from his 2017 FSA money **FIRST** (if funds available).

If John uses his flex card to pay for “Previous” 2017 dates of service, he can **ONLY** swipe his flex card for the amount left in his “Previous” 2017 FSA.

Example:

- John Doe has \$500 left in his “Previous” 2017 FSA.
- He receives a bill in February 2018 for dates of service incurred on November 3, 2017, that totals \$750.00.
- John can **ONLY** swipe his flex card for \$500 so it will max out is “Previous” 2017 funds.
- John **CANNOT** claim 2017 dates of service on his 2018 plan year. That is why he must swipe his card only for the amount remaining in his “Previous” 2017 FSA. If he swiped for the full \$750, the difference of \$250 would pay from his 2018 FSA (which cannot be allowed, and he would have to pay the \$250 back to the plan with personal funds).
- John can claim 2018 dates of service during this 2 ½ month period and the funds come from the 2017 FSA plan year (if available). That is allowed. But only up until 3.15.2018.

After the end of the Previous 2017 FSA Plan Year, employees will only have until March 15th, to use their flex card/file for manual reimbursement 2017 and/or 2018 dates of service, in order to have those expenses pay from 2017 unused FSA funds*.

As of March 16th, participants must file for manual reimbursement, any 2017 dates of service. They have until the end of their company’s “run-off” period to do so. *** As of March 16th, the flex card will be linked to 2018 FSA monies to use for 2018 dates of service ONLY. (2 ½ Month Extension period is over)*.

*If your plan is ran on a Non-Calendar year, these examples will alter based on the plan year schedule.