

FSAFEDS “Use or Lose” Deadline and Carryover Policy

This notice provides an overview of the “use or lose” rule and the new carryover policy for the Federal Flexible Spending Account (FSAFEDS) Program. FSAFEDS is a pretax benefit program offered to eligible Federal employees. The following are the three types of Flexible Spending Accounts (FSAs) available:

- Health Care FSA (HCFSA)
- Limited Expense HCFSA (LEX HCFSA)
- Dependent Care FSA (DCFSA)

Beginning with the 2015 Benefit Period, there are new policies for Health Care FSAs. However, Dependent Care FSA rules have not changed.

What do I need to know about my Dependent Care FSA funds?

The use or lose rule and grace period remain the same for Dependent Care FSAs. By law, Dependent Care FSAs cannot use the new carryover policy.

Use or Lose Rule:

Use or lose refers to an Internal Revenue Service (IRS) requirement that states if you do not spend all of the money you have placed into your Dependent Care FSA, any money remaining in that account after March 15 will be forfeited because it cannot be rolled over or refunded to you. Neither the Office of Personnel Management (OPM) nor NASA has the authority to make any exception to this IRS rule.

Grace Period:

The grace period for Dependent Care FSAs is still effective. The grace period provides you with an additional 2 1/2 months (through March 15, 2016) to incur dependent care expenses against your 2015 Benefit Period. You have until midnight Eastern Time on April 30 to file claims for reimbursement for eligible expenses incurred during the previous Benefit Period. Refer to the instructions at the end of this notice for submitting your receipts.

What do I need to know about my Health Care FSA funds?

The changes affecting the 2015 Benefit Period apply to Health Care FSAs, not to Dependent Care FSAs.

Grace Period:

The grace period was eliminated for Health Care FSAs and was replaced by the carryover policy. All eligible expenses for 2015 must have been incurred by December 31, 2015.

New Carryover Policy Overview:

Carryover is effective with the 2015 Benefit Period, which began January 1, 2015.

- For you to be eligible to use carryover funds, both of the following conditions must apply:
 - As of December 31, 2015, you have a remaining Health Care FSA balance.
 - You are re-enrolled in an FSAFEDS Health Care FSA for 2016.

- If carryover applies to you:
 - A carryover account was established with your remaining funds, up to \$500. Any amount over \$500 remains in your 2015 account and will be forfeited if 2015 claims are not submitted by the deadline of April 30.
 - The carryover funds can be used for 2015 expenses that are submitted by April 30.
 - The carryover funds can be used for 2016 expenses.

IMPORTANT NOTE: Be sure you submit 2015 expenses before submitting 2016 expenses because claims are processed in the order in which they are received. If you use all 2015 carryover funds, your 2016 funds cannot be used for 2015 expenses.

Deadline for Submitting 2015 Claims:

The deadline for submitting claims from 2015 is still April 30, 2016. Refer to the instructions at the end of this notice for submitting your receipts.

What is the deadline for submitting my 2015 receipts and how do I submit them?

You have until midnight Eastern Time on April 30, 2016 to submit claims for expenses incurred during 2015. Claims and supporting documentation may be submitted using any of the following methods:

- Online Claim Submission feature: Visit <https://www.fsafeds.com>. Click the **My Account Summary** tab, log into your account, and click the **My Claims** button. Then click the **Online Claim Submission** link, and follow the step-by-step instructions.
- Mail with a postmark no later than April 30, 2016 to FSAFEDS Program: The FSAFEDS claim forms are available at: <https://www.fsafeds.com>. Under the **Claim Forms** tab, click the **Health Care Claim Form** or the **Dependent Care Claim Form** option.
- Fax: Use the number listed on the top of the applicable claim form.

For more information regarding your FSA, account balances, billing, and supporting documentation requirements, please visit the following Web site: <https://www.fsafeds.com>. You may speak to an FSAFEDS Benefits Counselor by phone at 1-877-FSAFEDS (1-877-372-3337).



For questions concerning this notice, contact:
NSSC Customer Contact Center
1-877-677-2123 (1-877-NSSC123) or nssc-contactcenter@nasa.gov