

Annual election amount

This is the total dollar amount you elect to put into your FSA at the beginning of each plan year.

Dependent

A person whose expenses are eligible for reimbursement through the employee's FSA. A dependent also includes any child of a participant whose 27th birthday will not have occurred by the last day of the current calendar year.

Eligible expense

Items that are reimbursable under the FSA Plan are classified as "eligible expenses" according to IRS rules.

FICA

Taxes collected for Social Security and Medicare benefits.

Flexible Spending Account

Also known as an FSA; a pre-tax benefit plan that enables the employee to save up to 30-40% on eligible expenses. By enrolling in this plan, the participant saves on state (except in New Jersey), federal and FICA taxes.

Health FSA Carry Forward

An employer-chosen provision allowing up to a maximum of \$550 of unused Health FSA funds to carry forward into the next plan year. Under the CARES Act of 2020, the maximum rollover amount increases from \$500 to \$550 for plans who adopt this optional provision. The increase will be indexed in future years.

Open Enrollment

a designated time, prior to the start of your plan year, during which employees can enroll in the FSA plan and change their benefit elections.

Plan year

Typically, a twelve month period during which the annual election is effective.

Run-out period

A period of time after the plan year ends during which participants may submit receipts for expenses that were incurred during the plan year or grace period.

Uniform Coverage Rule

This rule allows you to access your entire annual election for the Health FSA immediately after the start of the plan year. All other accounts are "pay-as-you-go." This rule only applies for the Health Flexible Spending Account.

Use or Lose Rule

An IRS rule which states that employees must spend any remaining balance in their FSA by the end of the plan year. If you don't spend the money, you forfeit it.

Customer Service



Need assistance with your account? Contact P&A's customer service team from Monday – Friday, 7:30 a.m. – 9:00 p.m. CST at (833) 752-9413, or visit hennepin.padmin.com.

