

The biggest development so far this year for cafeteria plans is the "new" use-it-or-lose-it rule's 2-1/2 month grace period following the close of a plan year. Participants in a health FSA or DCAP who incur claims during the grace period can be reimbursed for those claims from unused amounts remaining in their accounts at the end of the plan year.

But the grace period isn't automatic. Employers must amend their plans to adopt it.