New Analysis of 3.2 Million Flexible Spending Accounts Finds Average Contributions Increasing While Half Forfeiting Funds to Their Employers

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(Washington, D.C.) – A new research report, published today by the Employee Benefit Research Institute (EBRI), provided an analysis of the activities of over 3.2 million flexible spending accounts (FSA) in 2022 and found that average contributions have increased, a vast majority of accountholders taking distributions and roughly half forfeiting back funds to their employer.

Key findings in the new research report, “Vital Statistics on Flexible Spending Accounts, 2022: Forfeitures on the Rise,” include:

• The average FSA contribution in 2022 was $1,291. The vast majority, 85% of accountholders took a distribution in 2022. Among those who did, the average distribution was $1,323.
• FSA contributions and distributions did not vary significantly conditional on whether or not the account had a grace-period feature, allowed rollovers or was a “use-it-or-lose-it” FSA.
• After temporary COVID-era provisions allowed employers to modify FSA plans to lift caps on rollover amounts, 2022 marked a return to pre-2020 forfeiture rules. Roughly half of FSA accountholders forfeited funds to their employer in 2022. The average forfeiture was $441.
• Accountholder age is strongly correlated with both contributions and distributions. Younger accountholders contributed less and were less likely to take distributions, and when they took distributions, they took smaller distributions than their older counterparts. Younger workers were also more likely to forfeit funds back to their employer.

“While FSAs are a common workplace benefit, there is little empirical evidence about how much accountholders contribute, withdraw and forfeit. Shining a light on these accounts can help employers foster optimal usage of FSAs, which can help workers improve their overall financial wellness. Pretax contributions to FSAs help workers stretch dollars further than they otherwise could, enabling them to divert dollars toward other financial needs, such as emergency savings, retirement or other savings goals. This is of particular importance given recent evidence that employers are increasingly concerned with helping workers manage high costs of living and health care costs.” said Jake Spiegel, research associate, Health and Wealth Benefits Research, EBRI. “Forfeiting funds back to employers can potentially run counter to this goal. EBRI’s analysis finds that over half of accountholders forfeit at least part of their FSA balances back to their employers at the end of the plan year. Decision supports that guide workers through their contribution elections could help reduce forfeitures, as could reminders about remaining balances.”

The EBRI FSA Database is a representative repository of information about individual flexible spending accounts. The database includes information provided by a wide variety of account recordkeepers and represents the characteristics and activity of a broad range of FSA contributors. As of Dec. 31, 2022, the EBRI Database includes over 3.2 million flexible spending accounts representing over $3.6 billion in contributions.


The Employee Benefit Research Institute is a non-profit, independent and unbiased resource organization that provides the most authoritative and objective information about critical issues relating to employee benefit programs in the United States. For more information, visit www.ebri.org.

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(Media Note: To receive the complete research report, email Ron Dresner at dresner@ebri.org).