Benefits Vocabulary Cheat Sheet

Plain-English definitions - verify against your plan.

Term	Definition
Beneficiary	Person you name to receive life insurance or retirement account assets if you die.
COBRA	Temporary continuation of group health coverage after a qualifying job loss or other event; you usually pay the full premium plus an admin fee.
Coinsurance	Your percentage share of a covered cost after the deductible (e.g., you pay 20%, plan pays 80%).
Copay	Fixed fee you pay for a covered service (e.g., $25 for a primary care visit).
Creditable coverage	Prior health coverage that may count toward avoiding Medicare late-enrollment penalties; verify with Medicare.gov if you delay Part B or D.
Deductible	Amount you pay for covered care before the plan starts paying its share.
Dependent care FSA	Pre-tax account for eligible childcare or elder care expenses; often use-it-or-lose-it unless your plan offers a grace period or carryover.
Effective date	Date your elected coverage actually starts - not always the same as when you submit enrollment.
Employer match	Money your employer adds to your retirement account based on how much you contribute (formula is in your SPD).
EOB	Explanation of Benefits - statement from the insurer after a claim; shows what was billed, allowed, and your share (not a bill).
ERISA	Federal law that sets minimum standards for many employer-sponsored benefit plans and requires certain disclosures.
EPO	Exclusive Provider Organization - in-network coverage only except emergencies; referrals usually not required.
Evidence of Coverage (EOC)	Detailed plan contract describing covered services, exclusions, and your rights; often longer than the SBC.

Formulary	Your plan's approved drug list with tier pricing; check before enrolling if you take regular prescriptions.
FSA	Flexible Spending Account - pre-tax dollars for medical or dependent care; often use-it-or-lose-it unless grace period or carryover applies.
Grace period	Extra time after the plan year ends to use FSA funds or incur expenses (rules vary by employer).
HDHP	High Deductible Health Plan - lower premium, higher deductible; may pair with an HSA if IRS eligibility rules are met.
HMO	Health Maintenance Organization - typically requires in-network care and often referrals to see specialists.
HRA	Health Reimbursement Arrangement - employer-funded account that reimburses qualified medical expenses; employer owns the funds.
HSA	Health Savings Account - yours to keep; requires an HSA-eligible HDHP; rolls over year to year (IRS rules apply).
In-network	Doctors, hospitals, and pharmacies with a contract with your plan - usually your lowest cost option.
Limited-purpose FSA	FSA for dental and vision only, sometimes allowed when you also have an HSA-eligible HDHP.
Open enrollment	Annual window when you can elect or change benefits without a qualifying life event; missing it can lock you in for the plan year.
Out-of-network	Providers without a plan contract - you typically pay more or the full cost.
Out-of-pocket max	Most you pay in-network for covered care in a plan year; premiums usually do not count toward this limit.
PCP	Primary Care Physician - your main doctor; some plans require choosing one and getting referrals from them.
Plan year	12-month period your benefits run on - may differ from the calendar year (check your HR portal).
PPO	Preferred Provider Organization - broader network, often no referrals; out-of-network care may cost more.
Pre-existing condition	Health issue you had before coverage started; ACA limits exclusions in most employer and marketplace plans.
Premium	Amount deducted from your paycheck (often per pay period) to maintain coverage.
Prior authorization	Insurer approval required before certain services, procedures, or drugs - without it, claims may be denied.
QLE	Qualifying life event - marriage, birth, job loss, etc. - that may open a special enrollment window outside open enrollment.
Referral	Written order from your PCP to see a specialist; required by some HMO and POS plans.
Roth vs. traditional (401k)	Traditional: pre-tax now, taxed on withdrawal. Roth: after-tax now, qualified withdrawals tax-free in retirement - not all plans offer Roth.
Run-out period	Time after the plan year ends to submit FSA claims for expenses you incurred during that year.
SAR	Summary Annual Report - annual notice summarizing plan financial information; often mailed with or near your SPD.
SBC	Summary of Benefits and Coverage - standardized side-by-side health plan summary; compare these before you elect.
SEP	Special Enrollment Period - mid-year window to change coverage after a qualifying life event; deadlines are strict.
SPD	Summary Plan Description - plain-language overview of how your retirement and welfare plans work.

Use-it-or-lose-it	FSA rule: unspent account funds may be forfeited at year-end unless your plan allows grace period or carryover.
Vesting	When employer retirement contributions become yours to keep if you leave the job; schedules vary (cliff vs. graded).
Wellness / preventive care	Screenings and checkups often covered at no cost before you meet the deductible - verify your plan's list.

Official resources

- HealthCare.gov - Glossary
  https://www.healthcare.gov/glossary/
- HealthCare.gov - SBC glossary
  https://www.healthcare.gov/sbc-glossary/
- IRS Publication 969 - HSAs and FSAs
  https://www.irs.gov/publications/p969