

Know Your Benefits

5 Mistakes to Avoid During Open Enrollment

Open enrollment gives you the opportunity to sign up for or make changes to your health insurance plans and other employee benefits. This annual period allows you to review and modify these employer-sponsored benefits, such as health insurance, life insurance, dental insurance and vision insurance.

The decisions you make during open enrollment are crucial, as they impact your health, finances and well-being for the next year. Unfortunately, many employees rush through the process, overlooking key details or missing out on selecting the appropriate benefits options.

This article outlines five mistakes to avoid during open enrollment to help you make educated choices on coverage for you and your family.

1. Waiting Until the Last Minute

Procrastination can be detrimental to your decision-making process for benefits elections. Waiting until the last minute may cause you to rush through the process without fully understanding your options. You could miss out on valuable educational resources, such as Q&A sessions with HR or plan comparison tools, and ultimately make uninformed decisions that will impact you until the next open enrollment period.

You should start preparing well before the enrollment deadline to avoid these consequences. Give yourself ample time to review all the materials your employer provides, and plan to attend informational sessions equipped with knowledge and any questions you might still have. Open enrollment periods usually last at least two weeks, so plan to

make your elections early in case you have any additional questions or run into technology or administrative issues.

2. Assuming the Most Expensive Plan Is the Best

It's easy to think that the most expensive health insurance is the best option, but that's not always the case. The value of insurance coverage depends on how well it aligns with your and your dependents' specific health care needs and financial goals. For example, plans with high premiums may offer more comprehensive coverage, but if you don't have many medical needs, you could end up paying for coverage you don't use. In contrast, plans like high deductible health plans (HDHPs) with lower monthly premiums may not be suitable for someone with extensive medical needs, as these plans may not offer enough coverage until the higher deductible is met. Therefore, it might take further assessment to determine if the most expensive (or cheapest) plan option is the right fit for you.

To get the best value from your health plan, evaluate your medical expenses for the past year and see if you can anticipate any future health care needs (e.g., prenatal care and childbirth, surgery, prescriptions), taking into account your risk tolerance and potential out-of-pocket (OOP) costs.

3. Ignoring FSAs and HSAs

In addition to health care plans, you may benefit from enrolling in a tax-advantaged savings account. For example, flexible spending accounts (FSAs) and health savings accounts (HSAs) are powerful tools that can save you money. With employee and employer contributions, these accounts can help cover OOP medical expenses. However, they are often overlooked by employees, who may not know these accounts are offered or are unaware of their value.

To be eligible for an HSA, you must be enrolled in a qualifying HDHP. HSAs offer triple tax benefits: pre-tax contributions,

tax-free growth and tax-free withdrawals for qualified expenses. Additionally, HSA funds roll over at the end of the year. On the other hand, FSAs can also help cover OOP costs, but not all unused funds roll over. In 2026, the rollover limit for FSAs is \$660.

Although you can't enroll in both an HSA and FSA, you should learn about the rules and eligibility requirements for each type of account to see if one would be beneficial for you. If you qualify, aim to contribute enough to cover expenses like prescriptions and copayments.

4. Not Learning From Past Mistakes

It's important to review your previous benefits elections to determine whether they met your financial and personal needs. If they did not, take it as a learning experience. Some questions to ask yourself to guide your review include the following:

- Did my health plan meet my actual needs last year—both expected and unexpected?
- Did I spend more than I anticipated on health care? Why?
- Were there coverage gaps that affected my health care or finances?
- Did I use all the benefits available to me, such as HSAs, FSAs or wellness programs?
- Did I skip care because of cost or confusion about coverage?

Tracking your annual benefits usage can help you evaluate the level of coverage you actually need and inform your decisions during open enrollment.

5. Overlooking Enrollment Errors

Regardless of your benefit selections, administrative mistakes could always happen. In fact, an audit by benefits brokerage Nava Benefits found that 90% of employers had open enrollment errors. Common errors include employees not being enrolled in plans they had selected, being incorrectly billed for dependents and being left enrolled after leaving a company. After the plan year begins, it's difficult and complex to make corrections.

With this in mind, be sure to double-check your elections and verify confirmation documents, looking for missing dependents, incorrect coverage levels and unexpected deductions. Contact HR if anything looks wrong.

Summary

Open enrollment is an opportunity to select health plans and benefits that support your health and finances. As this period approaches, avoiding common mistakes is crucial for making informed and thoughtful elections for you and your family.

Contact HR for more information about open enrollment or your employer's benefits offerings.