

## FSA

Pay 30% less on medical and daycare costs



### Flexible Spending Account (FSA)

Save more than \$700 a year on medical costs and up to \$1500 a year on daycare by signing up for an FSA during open enrollment!

Hi {var:first\_name}!

We're Navia Benefit Solutions and we administer the FSA provided to you by your company {var:company}. This is the first in a series of emails to help you understand your healthcare and daycare finances and the benefits of signing up for an FSA. **In order to participate in your company's FSA program you will need to sign up during your open enrollment period.** Even if you participated last year, you will still need to re-enroll during this year's open enrollment.

## Now Eligible!

### Over-the-Counter Meds

Over-the-counter (OTC) medicines like Tylenol®, Zyrtec®, and more are now available for purchase with an FSA without a prescription. On average, U.S. households spend \$338 on OTC products. **With an FSA, you would save \$100 a year on these products.**

### Feminine Care Products

Menstrual care products, such as tampons and pads, are now considered reimbursable expenses with your FSA. The average woman spends \$150-300 a year on feminine care products. **With your FSA, you would save \$45-90 each year on these products.**



[See a full list of FSA healthcare eligible items](#)

[See a full list of FSA daycare eligible items](#)



7 tips to get the most out of your FSA

[Infographic](#)

### More reasons to sign up for an FSA

**Don't wait to get your son's braces, new glasses, or that laser eye surgery you've always wanted**

Depending on your FSA plan design, you have 12 to 14.5 months to spend your money, but the full amount is available to you immediately (this is for healthcare FSA only!) This means you can take care of any pressing healthcare needs at the beginning of your plan year, even if you haven't contributed anything to your account yet.

**Save enough money to pay for two months of groceries or a gym membership for a year**

If you're like the average consumer, you normally spend \$1400/year on out-of-pocket healthcare expenses (e.g. prescriptions, contacts, braces, and even products like Band-Aids). With an FSA, you only pay \$980 for those same expenses—saving \$420 (assuming a tax rate around 30%). If you elect the full \$2750, you save over \$800.

**Rest easy knowing you have emergency funds for unexpected costs**

An FSA lets you set aside funds for preventative, routine, and unexpected care for not only you but also your family - making it easy to take care of health and wellness needs.

**Save up to \$1500/year on dependent care expenses like daycare, preschool, and elder care**

Expenses can be for your dependent children 12 and under, and in some cases elder care, and must be enabling you to work, actively look for work, or be a full-time student.

[Learn more](#)

- Watch a video on how an FSA works
- See an infographic on FSA best practices
- Calculate your FSA contribution and savings
- See a full list of eligible expenses (more than 38K ways to spend your FSA)

FSAs help you pay for things you already have to buy.

It's like free money!



#### What is an FSA (Flexible Spending Account)?

An FSA helps you pay for things you likely already have to pay for, but now you get to do it tax-free. For example, if you usually have to buy contacts every year and they cost around \$1500, you could pay \$450 less with your Healthcare FSA. Similarly, you can save up to \$1500 off your dependent expenses with a Daycare FSA.

The federal government takes about 30% of each dollar you earn in FICA and federal income taxes, and you take home the remaining 70% to use for your living expenses. When you use an FSA, you set aside money before it is taxed, so you spend the entire 100% of your earned income. This means you save 30% on your out-of-pocket healthcare and dependent care expenses when you use your FSA.



#### What you need to know...

\$2750 & \$5000

#### Maximum Contributions

**Healthcare:** The funds in the account must be used during the plan year, but they are available to you immediately (doesn't apply to daycare). The contribution limit varies by employer, but you may be able to contribute up to \$2750 per year.

**Daycare:** This FSA works like a bank account, so reimbursement for claims cannot exceed the amount you have contributed to the account. You can contribute up to \$5000 per year.

#### Many ways to use your dollars

**Healthcare:** Use it for eligible medical, dental, vision, feminine products, and over-the-counter and prescription drugs.



**Daycare:** Use it for eligible dependent expenses while you work. Common eligible expenses include daycare, preschool, day camps, before-and-after school care, etc.



#### Family coverage

**Healthcare:** It covers you, your spouse, and eligible dependents.

**Daycare:** It covers eligible expenses for your dependent children 12 and under and in some cases elder care. It must be enabling you to work, actively look for work, or be a full-time student.

#### Easy to use

**Healthcare:** Pay using your Navia debit card or by submitting a claim online or on the Navia mobile app.



**Daycare:** Pay using your Navia debit card or by submitting a claim online or on the Navia mobile app. Recurring claims can also be setup.

### So, exactly how does it work?

During open enrollment, estimate your expenses for the plan year and enroll in the plan. [Calculate your expenses and FSA savings tool!](#)

Your annual election amount will be evenly deducted pre-tax from your paycheck throughout the plan year.

You cannot change your annual election amount after the plan start date unless you have a qualified change in status. For example, birth, death, marriage or divorce.

*\*Note that if you are enrolled in a High Deductible Health Plan you may be eligible for a Limited Healthcare FSA, which allows you to pay for eligible dental, vision, and orthodontia expenses.*

#### How much should you contribute to your FSA?

[Calculate now](#)



38,000 ways to spend your FSA!

There are 38,000 products and services you can pay for with tax-free Healthcare FSA money

Most plans issue you an FSA debit card to make spending your money super easy. And there are so many things you can spend your money on! Anything from medicines and hospital services to acupuncture and training a service dog. Here are just a few to give you an idea.

- |   |  |   |
|---|--|---|
| <b>NEW</b> Over-the-counter drugs   | Night guards                                       | Prescription sunglasses   |
| <b>NEW</b> Feminine products  | Bandages and other medical supplies                | Psychiatrists   |
| Prescriptions   | Birth control                                      | Psychologists and therapy   |
| Copays & Coinsurance  | Breast pumps                                       | Showering programs  |
| Deductibles   | Breast reconstruction surgery                      | Surgeons  |
| Office Visits   | Childbirth classes                                 | Vaccinations and immunizations  |
| Dental work   | Eye surgery, including laser eye surgery and LASIK | Walking aids like canes, walkers and crutches   |
| Ophthalmia  | Fertility treatments and monitors                  | Weight loss programs (if a treatment for a specific disease diagnosed by a physician) |
| Glasses & Contacts  | Flu shots  | Wheelchairs   |
| Chiropractic  | Hearing aids and batteries                         | X-rays  |
| Acupuncture   | Insulin  | Nursing services  |
| Capital improvements to your home, such as ramps, lifts, and support bars | Labi-blee  |   |
| Mileage for travel to and from health care appointments                   | Physical therapy                                   |   |

[Click here for a full list of healthcare eligible items](#)

Navia partners with Kinside to help you find reputable daycare locations and save on costs

[Learn More](#)

**Kinside**



[Click here for a full list of daycare eligible items](#)

[Learn more](#)

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Sign up for an FSA during your company's open enrollment!

## Don't overpay for healthcare or daycare next year

Sign up for an FSA during open enrollment!



### Bottom line



If you plan on spending even a dollar out-of-pocket for healthcare or daycare this year, an FSA (Flexible Spending Account) will save you an average of 30% on every expense.

## Ready to enroll?

Review your employer's open enrollment instructions, so you **don't miss the sign up deadline** and miss out on savings!



### Don't be afraid of "use-it-or-lose-it"

The Healthcare and Daycare FSAs are subject to the "Use-It or Lose-It" rule. This means that if you do not use all of your annual election within the plan year, the remaining funds are not refundable to you.

Some estimates have put the average amount of money forfeited in an FSA each year to be between \$50 and \$100, **but this amount is almost never higher than the amount of money a participant saves in payroll taxes** by contributing to an FSA.

Some plans include the following optional features:

#### Carryover

The Carryover feature allows participants to roll over up to \$550 from one plan year to the next (does not apply to daycare). Any funds above the threshold would be forfeited. This is an optional feature so check your employer's plan design to see if the Carryover is included.

#### Grace Period

The Grace Period gives you an extra 2.5 months at the end of the plan year to incur expenses against your FSA balance. This is an optional feature, so check your employer's plan design to see if the Grace Period is included.

#### Run-out Period

The run-out period is how long you have to file a claim for medical costs incurred during the plan year and during the grace period following the plan year. Run-out periods vary by employer and typically last 60 to 90 days after the end of the plan year.

*Check your employer's plan design to see if the Grace Period or Carryover feature is part of your plan.*

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