

Flexible Spending Arrangement (FSA) Overview

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Plan Funding

The FSA utilizes a disbursement style funding arrangement which requires funds transfer equal to employee claim reimbursements. In a disbursement funding arrangement, the employer holds on to employee payroll deductions and employer seed contributions (if applicable), and Navia debits the employer's bank account equal to the claim activity. A disbursement style funding arrangement is also known as a Zero Balance Account (ZBA). A year-end plan forfeiture report will be provided after the claim run out period and ERISA appeal period is complete and any discrepancies in accounting will be reported and refunded or requested at that time.

Disbursement Processing

Employees can expect to receive manual claim reimbursements on a weekly basis, unless a different reimbursement frequency was requested during plan implementation.

The Disbursement Report (DWS) lists manual claim reimbursements and debit card activity associated with the specified processing cycle. Disbursement Reports can be found on the Employer Portal by selecting 'Reports' then 'Disbursement Report' in the left-hand menu. Navia will initiate a direct debit from the employer's bank account equal to the amount shown on the Disbursement Report within 1 business day.

Contribution Reporting

FSA contributions must be reported to Navia each pay date through an EDI file feed or online via the Eligibility & Deduction Report (EDR). If contributions are reported online via EDR, the EDR will be generated 7 days prior to each pay date, which will include a listing of all plan participants along with the expected contribution amounts. This EDR must be reconciled and submitted to Navia one day prior to the scheduled pay date to ensure employee contributions are posted timely.

Debit Card

FSA participants will automatically receive a debit card within 7-10 business days of enrollment. An email address is required for debit card issuance.

It's important to note that while most debit card charges are automatically cleared based on merchant information, some charges will require substantiation so employees should always save their expense documents. If substantiation is required, the employee will receive an email requesting that documentation be submitted. Documents must be submitted to Navia within 75 days of the card swipe and must include the date of service, type of service, and amount of patient responsibility.

FSA Carryover from Prior TPA

The carryover feature allows unused funds (up to the IRS limit) to rollover to the subsequent plan year. If the FSA was in place with a different administrator prior to Navia, and that plan included carryover, Navia can accept carryover balances once the previous administrator has completed the claim filing period and closed out the plan in their system. Carryover balances can be reported to Navia using the [FSA Prior Admin Carryover File](#). Carryover funds will be added to the participant's new year election or a new year election will be created for the employee if they did not re-enroll for the new plan year, and funds will be loaded to the Navia debit card.