Overview of the Flexible Spending Arrangement (FSA), Limited Purpose FSA, and the Dependent Care Assistance Program (DCAP)

These benefits allow you to set aside money on a pre-tax basis to pay for eligible out-of-pocket health care expenses and dependent care costs. They are available to School Employees Benefits Board (SEBB) benefits-eligible employees of school districts, educational service districts, and charter schools.

- **The FSA** reimburses out-of-pocket health care expenses for you and your qualified tax dependents.
- **The Limited Purpose FSA** reimburses out-of-pocket dental and vision expenses for you and your qualified tax dependents. This benefit is intended for those enrolled in a consumer-directed health plan (CDHP) with a health savings account (HSA).
- **The DCAP** reimburses care expenses for your dependent children or elders. It also reimburses expenses for a qualifying dependent age 13 or older who is physically or mentally incapable of self-care and regularly spends at least eight hours each day in your household.

How can these benefits help save me money?

With these benefits, you set aside money from your paycheck to pay for health care or day care expenses. FSA deductions are exempt from federal taxes and reduce your taxable income. You don't pay FICA (7.65 percent) and federal income tax (10–37 percent) on your elected dollars. Curious about how much you could save? Use our Tax Savings Calculator at **sebb.naviabenefits.com.**

How does it work?

During the SEBB Program's annual open enrollment, elect the amount you want to set aside for out-of-pocket health care or dependent care costs. Enroll in the FSA for all eligible health care costs **or** in the Limited Purpose FSA for only dental and vision expenses. Enroll in the DCAP for dependent care costs. The more accurate you are in estimating your expenses, the better these benefits will work for you. You may enroll in the DCAP and either the FSA or Limited Purpose FSA.

Important: You cannot enroll in both an FSA and a consumer-directed health plan (CDHP) with a health savings account (HSA) in the same year. You cannot enroll in both the FSA and the Limited Purpose FSA in the same year. This limitation is an Internal Revenue Service rule because FSAs and HSAs are both tax-advantaged benefits.

The amounts you set as your annual elections cannot be changed after the plan year starts unless a qualifying event creates a special open enrollment. Common qualifying events include birth, death, adoption, marriage, or divorce. Your election change must be consistent with the qualifying event. For example, if your dependent ceases to meet SEBB eligibility rules mid-year, that event only allows you to lower your DCAP election amount.

The minimum election amount for these benefits is $120. The maximum amount for an FSA or Limited Purpose FSA is $3,500. The maximum annual DCAP election for a single person or a married couple is $7,500 ($3,750 each if married and filing separate income tax returns). **Note:** If the IRS announces an increase to the 2027 FSA or Limited Purpose FSA maximum contribution limit before the last day of open enrollment, the SEBB Program will adopt the increase for 2027.

Your employer will deduct your election from your paycheck in equal amounts throughout the plan year based on the number of paychecks you receive.

All eligible expenses must be incurred by December 31. You must submit all claims to Navia Benefit Solutions for reimbursement by March 31 of the following year. The FSA and Limited Purpose FSA have a carryover feature. That means unused balances up to $680 may be rolled over to the next plan year. To qualify for carryover, you must either a) enroll in an FSA the following year to carry over any amount up to $700, or b) have at least $120 remaining in your account on December 31 to automatically carry over any balance between $120 and $700.

Any funds below $120 if you do not re-enroll or above $700 (regardless of enrollment status) will be forfeited to the plan administrator, the Health Care Authority. Once the money is forfeited, you cannot claim it.

The Navia Benefits Card



This debit card is a convenient way to pay for eligible out-of-pocket medical expenses for you, your spouse and your qualified dependents.

Rather than filing a claim and waiting for reimbursement for your out-of-pocket eligible expenses, you can use the debit card at participating merchants to pay your provider directly. The expense is deducted from your FSA balance.

You may request a debit card when you enroll, or through the Navia Benefit Solutions website. If you enroll in both the FSA and DCAP, the same debit card will work for both benefits.

How do I get reimbursed

Submit a claim and documentation to Navia Benefit Solutions using our **online claim submission tool** or mobile app; or complete a claim form to send by email, fax, or mail. Include documentation for your expenses. For each claimed expense, your documentation must show the **date of service, cost, and the type of expense** you are claiming. Bills from your providers or statements from your insurance company are typical forms of documentation.

- Expenses must occur during the plan year and while you are an active participant in the plan.
- You cannot receive reimbursement for any expense that occurs before the effective date of your enrollment.
- An expense is “incurred” when the medical care is provided or the eligible item is purchased – not when you are billed, charged, or when you pay for the medical care.

Navia Benefit Solutions will process your claim within a few business days and reimburse you by check or deposit into your checking or savings account. If your claim requires further documentation, processing time will increase.

Need more information?

Read the SEBB FSA, Limited Purpose FSA, and DCAP enrollment guides at **sebb.naviabenefits.com**.

Navia Benefit Solutions Online

Visit us at **sebb.naviabenefits.com** for useful tools and information. You can:

- Research eligible expenses
- Access forms
- View general information about these benefits
- Use the Tax Savings Calculator
- Submit claims

Once you are enrolled in the plan, you can register your account to see your plan information, including claims details, online.

Questions?

Customer service agents are available to answer your questions, Monday through Friday, 5 a.m. to 5 p.m. PST. Call 800-669-3539 or email **customerservice@naviabenefits.com**.