



Teachers win with FSA savings

SEBB's Flexible Spending Arrangements and Dependent Care Assistance Program provide teachers with significant savings on healthcare, day care costs

navia | Case Study

Employer: Snohomish School District

Sector: Public Education

Size: 1,800 Employees

Location: Snohomish, Washington

Benefit Services: Flexible Spending Arrangement (FSA), Limited Purpose FSA, Dependent Care Assistance Program

The Snohomish School District (SSD) is part of the School Employees Benefit Board (SEBB), which is managed by the Washington State Health Care Authority.

The SSD employs 1,800 staff and serves more than 9,600 students in the semi-rural Snohomish area of Washington state.

Kris Cook, SSD benefits administrator, notes the district is “a very tight-knit community” and that their employees seek to foster an educational community that ignites a passion for learning in their students.



Contributing to FSAs boosts worker bottom line



Navia Benefit Solutions administers three tax-savings employee benefit plans for SSD: the FSA (more commonly known as a Healthcare FSA), the Limited Purpose FSA, and the Dependent Care Assistance Program (also known as a Day Care FSA).

“Navia is a great product to offer our employees...it makes the school district more desirable to work for,” says Kris.



Kris Cook

SSD Benefits Administrator

FSAs allow employees to set aside money from their paychecks, pre-tax, to pay for healthcare expenses. This allows them to eliminate taxes on that money, potentially saving up to 30% on these costs. The money must be spent on eligible healthcare expenses.

FSAs reimburse eligible out-of-pocket healthcare expenses for the employee, spouse or state-registered domestic partner (SRDP), and qualified tax dependents.

Limited Purpose FSAs work in conjunction with a Health Savings Account (HSA) and only reimburses out-of-pocket dental and vision expenses for employees, their spouse or state-registered domestic partner (SRDP), and qualified dependents. Other healthcare expenses would be covered by an HSA.

DCAPs reimburse out-of-pocket daycare or dependent care expenses. Common eligible day care expenses are preschool, day care, day camps, a nanny or au pair, before and after school care, elder care, and adult day care.

Participants tout tax breaks, program convenience

SEBB's FSA

- *Allows participants to set aside a portion of their paycheck, reducing their annual taxable income, and makes it easier to pay for out-of-pocket health expenses.*
- *The full annual election amount of an FSA is available on the first day of the plan year, promoting health and wellness.*
- *FSAs help participants pay for deductibles.*
- *Participants can use their FSA for their dependents' health care expenses, even if dependents are not enrolled in SEBB's medical, dental, or vision plan.*

Kelly Anderson, SSD benefits specialist, is an enthusiastic participant in their FSA. "It's saving about 30% on your expenses by eliminating the taxes on money that you're spending on out-of-pocket medical, dental and vision expenses," Kelly says.

"It's a wonderful program," Kelly continues. "As a school employee, we are paid once a month. It's important to know that [when] life happens, and you need to run to the pharmacy, pick up prescriptions, or pay for those deductibles, that Navia card is pre-loaded with that money."

Kelly is highlighting a unique benefit of the FSAs called "pre-funding." Prefunding means a participant's entire annual election amount is available to use on the first day of the plan year.

"I just can't say enough about the medical piece of it for myself. It's just been a world of savings for me," Kelly notes.



Kelly Anderson

SSD Benefits Specialist

FSA a safety net, tradition for family



"We have two daughters and between orthodontics and physical therapy for sports, it's just nice to have that safety net of not worrying about having to pay for these medical bills right out of pocket," says Kelli.

Kelli's family makes extensive use of the FSA and, notably, she is also a huge fan of pre-funding.

"The FSA has been a huge benefit...that first month or two after the new year, it's like a sucker punch when you're getting those medical bills. It was stressful before we had Navia."

"The FSA has been extremely helpful with our day-to-day lives."

Kelli Yalowicki's experience with their FSA is a family affair, says the fifth grade teacher.

"Growing up, my family was in education, and they had their own Flexible Spending Accounts.

It was just a given that when I had the opportunity to sign up for one that I did. It's extremely helpful to my family and myself. "



Kelli Yalowicki
5th Grade Teacher



Eligible FSA expenses

There are 38,000 products and services participants can pay for with tax-free FSA money! Spend FSA 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:



Medical eligible expenses

- Over-the-counter drugs
- Feminine products
- Prescriptions
- Copays and coinsurance
- Deductibles
- Office visits
- Chiropractic
- Acupuncture
- Mileage to/from medical appointments
- Bandages and other medical supplies
- Birth control
- Breast pumps
- Breast reconstruction surgery
- Childbirth classes
- Fertility treatments and monitors
- Flu shots
- Hearing aids and batteries
- Insulin lab fees
- Physical therapy
- Prosthesis

Dental eligible expenses

- Copays and coinsurance
- Deductibles
- Diagnostic services including x-rays
- Cleanings
- Fillings
- Root canals
- Crowns
- Bridges
- Implants
- Dentures
- Orthodontia
- Occlusal guards for grinding

Vision eligible expenses

- Reading glasses OTC
- Eye drops/treatments OTC
- Copays and coinsurance
- Deductibles
- Diagnostic services and office visits
- Optometrist fees
- Glasses
- Prescription sunglasses
- Contact lenses and solutions
- Vision correction surgery

DCAP: A lifeboat for struggling families

53%

Increase in day care costs since 2013

70%

Of families spend more than 20% of budget on day care

Flexible

Many ways to submit claims

Speed

Claim turnaround time is minimized

Day care is one of the largest expenses in the family budget with costs increasing by 53% since 2013. Nearly 70% of families spend more than 20% of their household income on day care. That's where SEBB's Dependent Care Assistance Program (DCAP) provides much-needed relief for families.

SEBB's DCAP is saving Shana Hainzinger \$1,000 a year because she's eliminating the taxes on money she spends on day care for her two boys. "I highly recommend that people participate in the Dependent Care Assistance Program," Shana exudes.



Shana Hainzinger
Substitute Services

A DCAP allows participants to set aside up to \$5,000 a year (household maximum) tax free for day care expenses.

"I learned about the Dependent Care Assistance Program from my district's benefits coordinator who had sent out an email prior to our open enrollment period. I enrolled online using Navia's online portal. It was extremely easy," Shana says.

DCAP eligible expenses

Covered expenses for children under 13 years old

- Baby sitter
- Nanny
- Au Paire
- Day care
- Summer camps
- Before & after school care
- Elder care

How FSAs and DCAP work:



When a SEBB member first becomes eligible, experiences a special open enrollment event, or during the SEBB Program annual open enrollment, FSA and/or DCAP participants choose a contribution amount they wish to set aside. That amount is evenly divided by the total number of paychecks for that year and taken from each paycheck. For example, if Kelli contributed \$2,000 to her FSA, and is paid once a month, \$167 would be deducted pre-tax from her paychecks.

DCAPs have a use-it-or-lose-it clause. The FSA has a carryover feature that allows participants to carry over some unspent funds to the subsequent plan year. In 2024, the carry over maximum amount is \$640. To ensure employee happiness, the SEBB Program added this feature to its FSA plans.

There are several ways FSA participants can access their funds, including by swiping their Navia Benefits Debit Card to pay a provider or merchant or by manually submitting claims to Navia. If a claim is manually submitted, Navia sends the participant their reimbursement via direct deposit or check. Navia's reimbursement system is easy to use and quick.

Shana exclaims, "I've signed up for direct deposit, so my reimbursements get automatically deposited into my checking account and I receive a confirmation email once the claim is processed and the money is in my bank account."

"My district offering the Dependent Care Assistance Program through Navia makes a statement that they care about me as a whole person and not just an employee. It makes me feel like they value the people in this district who have small children and commitments outside of work."-Shana