Day Care

FSA

Save up to $1,500 a year on day care expenses

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Hello!

We're **Navia Benefit Solutions** and we administer the Day Care FSA provided to you by your company. This toolkit will help you understand what a Day Care FSA is, how it works, and the many ways you can save money by participating. It also offers tips and tools for understanding your day care expenses and becoming a more aware day care consumer.

Day Care Flexible Spending Account (FSA)

A Day Care FSA is a pre-tax benefit account that enables you to set aside money to pay for your out-of-pocket daycare or dependent care expenses.

Save on day care expenses you already pay for
This FSA covers child care for dependents up to age 12 and dependents who cannot care for themselves while you're working.

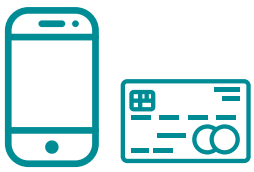
Pay your provider or a family member for child care
With a Day Care FSA, participants can use their account to pay your licensed day care provider for child care services. You can also use your Day Care FSA to pay a family member to watch your child, as long as the family member is not your spouse and age 19 or older.

Easy to use
Pay using your Navia debit card or by submitting a claim online or on the Navia mobile app.

Maximum contribution
The contribution limit varies by employer, but you may be able to contribute up to $5000 per year. The funds in the account must be used during the plan year. Much like your banking account, you cannot spend more than what is in your account each month.

SAVE
USE FUNDS TO PAY YOUR PROVIDER OR FAMILY MEMBER

CARE
CHILDREN AND ELDERS COVERED



EASY
MULTIPLE WAYS TO SUBMIT CLAIMS

$5000
MAXIMUM CONTRIBUTION

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Day Care FSA works like a bank account and saves you money

A Day Care FSA helps you pay for day care expenses that you already pay, using tax-free dollars. This account works like a bank account, meaning you cannot be reimbursed for more that what is in your account at any given time.

Common eligible day care expenses are preschool, day care, day camps, before and after school care, and elder care. ***Learn more***.

Pay 30% less on day care expenses

Federal, state, and FICA taxes lower your take-home pay by 30% or more, leaving the remaining 70% 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 day care expenses when you use your FSA. **It's like free money!**

EXAMPLE: Michael and his spouse work full-time and need after school care for their twin boys. Last year they spent over $4,200 in after school care and paid the provider monthly. This year they decide to elect that same amount into a Day Care FSA. **With his election of $4,000 into his Day Care FSA, Michael can pay their after school care provider the same way, but he saves $1,200 (30% off).** With those savings, Michael and his spouse were able to afford a family vacation during summer break!

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How does it work?

Estimate your annual election

During your open enrollment, use the FSA calculator to estimate your out-of-pocket day care expenses for the plan year. This will help you determine your annual election amount.

Monthly paycheck deductions

The amount you elect will be deducted evenly out of each paycheck on a pre-tax basic and put into your Daycare FSA. You cannot change your annual election amount after the start of the plan year unless you have a qualified change in status.

Funds are available after contribution

After your monthly contribution is made to your account you will be able to submit claims for expenses. Much like your banking account, you cannot spend more than what is in your account each month.

Pay and submit claims!

Claims can be submitted online or through Navia's mobile app. Some Navia plans also offer a debit card, which is your fastest way to pay and avoid a claim.

Check out our video about the Day Care FSA benefit!

Watch

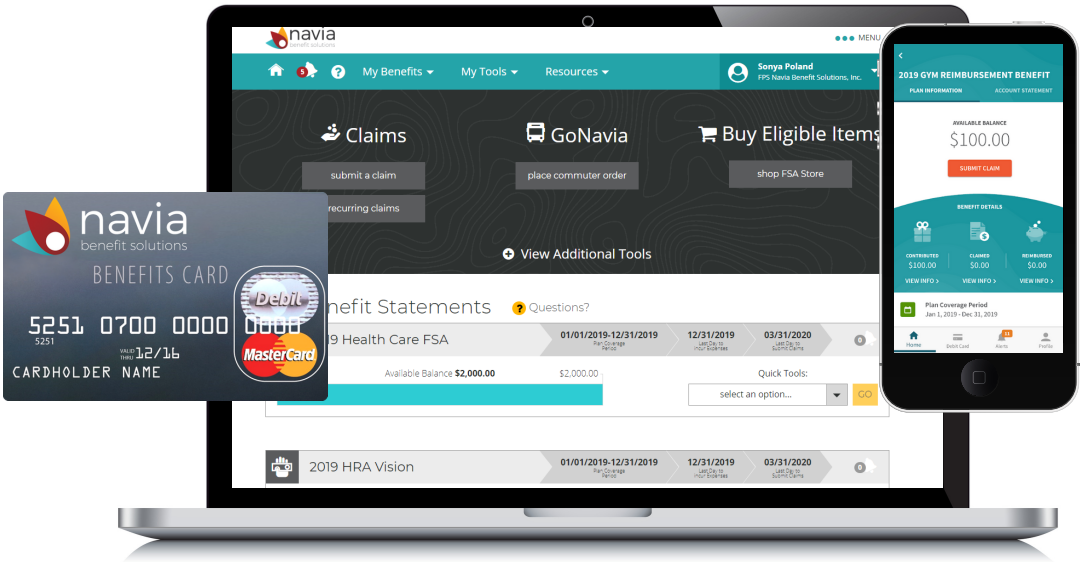
How much should you contribute to your Day Care FSA?

Calculate now

Accessing your benefits couldn't be easier!

Just swipe your Navia Debit Card to pay for eligible day care expenses. Funds come directly out of your FSA and are paid to the provider. Some swipes require us to verify the expense, so hang on to your receipts! If we need to see it, we will send you a notification. ***Learn more.***

IMPORTANT! Some plans do not include the Navia Debit Card, but that's ok! You can also submit claims through Navia's online portal, mobile app, email, fax, or mail. Claims are processed within a few days and reimbursements are issued according to your employer's reimbursement schedule. Navia also offers recurring claims with one click! ***Learn more.***



Navia is here for you!

We're committed to providing you with unparalleled customer service. If you have questions, we're here to answer them!

U.S.

100% US-based, live customer support with offices in every time zone

45 sec

If you have a question, you wait less than a minute to talk with a live Navia expert

2 days

Claims are turned around within 2 days to ensure you are reimbursed fast

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Why should I enroll?

Save enough money to pay for a family vacation or catch up on bills

Child care expenses (e.g. day care, camps, preschool, etc) add up quickly and are expensive. If you contribute the maximum annual election of $5,000 into a Day Care FSA, you only pay $3,500 for those same expenses—saving $1,500 (assuming a tax rate around 30%).

Rest easy knowing you have set aside funds for day care

A Day Care FSA lets you set aside funds for child and elder care expenses - making it easy to take care of those you love.

Pay a relative for child care service

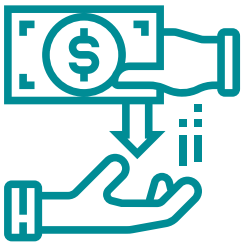
With many schools and daycare facilities closed, working parents are struggling to find a provider who can watch their children during working hours. With the Day Care FSA, participants can use day care FSA funds to pay eligible family members to watch dependents.

$1500

TAKE A FAMILY VACATION WITH YOUR SAVINGS

REST

SAVE FUNDS FOR DAYCARE EXPENSES



CARE

PAY A FAMILY MEMBER FOR DAY CARE

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

The Day Care FSA is 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.** Fortunately, very few participants forfeit money in an FSA, and the IRS has relaxed the rules in recent years to make it easier for FSA participants to avoid forfeiture.

Some plans include a feature that extends deadlines

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.

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.

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

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Meet our day care partner!

Kinside

Navia and Kinside have partnered to provide our Day Care FSA participants with a resource for finding affordable child care. Kinside is free for all Day Care FSA participants and can be accessed both through your Participant portal and on the Kinside website.

With Kinside's network you can...

20% Save up to 20% on child care on daycares and preschools near you. Other savings include waived application fees.

Have access to child care nationwide. Kinside's database can be searched by program type, availability, area code, and more.

Pay online! Connect your Navia debit card to your Kinside account to pay your child care provider. ***Learn more.***

Access to full licensing and inspection reports for every daycare and preschool in Kinside's network.

Learn more about Kinside!

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Bottom line

If you plan on spending even a dollar out-of-pocket for child or elder care this year, a tax-advantaged benefit account will save you an average of 30% on every expense.

Enroll now!

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.

Want to know more?

Below are some additional resource links to help you get the most out of your Day Care FSA benefit! Click to learn more.

Day Care FSA Overview

Tax Saving Calculator

FSA Store

Kinside

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