



Seattle

# Flexible Spending Accounts

All Regular City of Seattle Employees

2026



## *Flexible Spending Account Plans*

The City of Seattle Flexible Spending Account (FSA) Plans allow you to set aside pre-tax dollars from your paycheck to pay for certain expenses not covered through your other benefits. When you put money into an FSA you do not pay federal or FICA (Social Security) taxes on it. As a result, your taxable income is reduced, and your taxes are lower.

The City of Seattle offers two types of FSA Plans:

- **Health Care FSA** allows you to set aside pre-tax dollars to pay for certain expenses not covered by your health plans (for example, the cost of orthodontia not fully paid by your dental plan and copays for office visits).
- **Day Care FSA** allows you to set aside pre-tax dollars to pay for eligible daycare expenses for your child, disabled spouse, or dependent parent while you and your spouse work.

This guide explains how Health Care and Day Care FSAs work. If you decide to enroll, you must complete your online enrollment:

- Within 30 days of becoming a City employee.
- During the Open Enrollment period if you wish to enroll or re-enroll for next year.
- Within 30 days of a qualifying change in family status (requires notification to the Benefits Unit for the applicable Change Form).

For additional information, go to the City of Seattle website at <https://bit.ly/mostFSA>, or contact the Benefits Unit at [Benefits.Unit@seattle.gov](mailto:Benefits.Unit@seattle.gov) or (206) 615-1340.

**You must re-enroll each year at Open Enrollment to continue participating in Flexible Spending Accounts.**

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## How FSAs Work

Flexible Spending Accounts (FSAs) allow employees to have income withheld from their paychecks *before Federal or Social Security taxes are assessed*, to use for reimbursement of certain medical and daycare expenses. As a result, your taxable income is reduced and you pay less in taxes, saving you money.

You decide how much you want to contribute to the Health Care and/or Daycare Flexible Spending Account each year up to the maximum allowed contribution.

**You must re-enroll each year during Open Enrollment to continue participating;** you may change the amount you contribute.

You enroll in [Workday](#) during Open Enrollment, as a new hire, or if you have a qualifying life event. By enrolling, you are authorizing the City of Seattle to deduct a certain portion of your salary each pay period on a pretax basis. These contributions are then placed into your account(s) throughout the calendar/plan year via payroll deduction. Navia Benefit Solutions administers the accounts for the City of Seattle.

**The benefits plan year is the calendar year.** You may submit reimbursement requests for expenses incurred during the plan year at any time throughout the plan year and up until March 31 of the following year (Navia Benefit Solutions must receive requests no later than March 31).

- As you incur eligible expenses, you may submit reimbursement request forms to Navia Benefit Solutions. You may submit multiple bills or receipts with one reimbursement request form. Include a copy of an itemized bill(s) or receipt(s) with the completed reimbursement form. Completed requests for reimbursements may be mailed, faxed, or uploaded at the Navia Benefit Solutions website, or through the mobile app:

**Navia Benefit Solutions**  
PO Box 53250  
Bellevue, WA 98015-3250  
Phone: 425-452-3500; 800-669-3539  
Fax: 425-451-7002; 866-535-9227  
[www.naviabenefits.com](http://www.naviabenefits.com)

FSAs are governed by the Internal Revenue Service Code. For details on current rules, see the following documents posted on [www.irs.gov](http://www.irs.gov).

- Publication 502: Medical and Dental Expenses
- Publication 503: Child and Dependent Care Expenses
- Publication 969: Health Savings Accounts and Other Tax-Favored Health Plans

## General Restrictions

Under the City plan, the maximum that can be contributed to the 2026 Health Care FSA is \$3,400. The maximum amount that can be contributed to the 2026 Daycare FSA\* is \$7,500.00 if married filing a joint return or head-of-household; and \$3,750 if married filing separately. The minimum that can be contributed to either FSA is \$120 annually.

Health Care and Daycare FSAs are completely separate. The money you allocate for one cannot be used for the other, and you cannot transfer dollars between accounts.

- Navia will carry over unreimbursed health care funds as of December 31 into the following plan year. If you made an annual election for the following plan year, the carryover funds will be added to that election. If you do not make a new annual election, Navia will carry over funds only if your account balance is at least \$120, up to a maximum of \$680, into 2027. Any unreimbursed balance exceeding \$680 will be forfeited.

You must use or lose Daycare FSA funds\*. **Any money left in your Daycare FSA account that is not claimed and reimbursed to you by March 31 of the following year is forfeited**, so it is important to estimate annual expenses carefully before enrolling and set aside only as much as you expect to spend.

You cannot make a change to your Health Care or Daycare FSA contributions during the plan year unless you experience a qualifying status change (see page 18). You may terminate your participation during the plan year if you experience a qualifying status change. However, health care expenses you incur after the last day worked **will not be eligible** for reimbursement even if you still have an account balance remaining. Daycare expenses allowing you to work, seek work, or attend school full-time that are incurred after termination will be eligible for reimbursement.

Expenses for eligible services incurred during the plan year are reimbursed from that year's FSA. You generally have until March 31 of the following year to file reimbursement requests (Your request must be received by Navia Benefit Solutions no later than March 31.)

You cannot use a Health Care FSA to pay expenses you also claim as health care deductions on your income tax return. Similarly, you may not use the Daycare FSA to claim expenses that you will use to take the childcare tax credit on your return.

## Effect on Other Benefits

FSA contributions may affect Social Security benefits. Because you and the City do not pay Social Security (FICA) taxes on the money you contribute, your future Social Security benefits may be reduced slightly. However, you may find that the tax savings gained through participation in an FSA outweigh any loss in benefits. Contact your tax advisor for help deciding whether an FSA is right for you.

If you contribute to the Daycare FSA, your maximum allowed contribution to the City of Seattle Deferred Compensation Plan could be reduced to lower gross earnings. There is no effect on your other City benefits, such as life insurance or retirement.

Nondiscrimination testing may affect your contributions. Nondiscrimination testing is conducted to ensure that the plan does not favor highly compensated employees. If the City fails nondiscrimination testing, highly compensated employees may be asked to limit or stop their contributions to the program.

## How You Can Enroll

You can enroll in the FSA plans as a new employee or during Open Enrollment via [Workday](#), which is available from any computer.

To complete your enrollment online, you will have access to Workday for 30 days from your hire date if you are a new employee. See the [New Hire Benefits Enrollment job aid for](#) step-by-step instructions.

To complete your enrollment online during Open Enrollment, refer to the [Open Enrollment job aid](#).

## FSA Online Account

You can review your account, request a debit card, add direct deposit, upload claims directly, access FlexConnect, upload requested receipts, and update personal information when you sign up for an online account. To set up an account:

- Go to [www.naviabenefits.com](http://www.naviabenefits.com).
- Select "I'm a participant"
- Select "Register"
- Select "I'm a participant" again
- Enter Employer Code: **CS1**
- Enter your first initial
- Enter your last name
- Enter your date of birth
- Enter your City of Seattle email address (you can change to your personal email address after setting up your account). Your City of Seattle email address is your first name. last name.seattle.gov. Example: Mary.Smith@seattle.gov.
- Choose a username
- Select and answer three security questions
- Review and accept the *Privacy Policy* and *Terms and Conditions*

You will receive an email confirmation shortly after registering for online access with a temporary password. You will need to reset the password upon your first login.

## Future of the FSA Plans

The City of Seattle has established the Flexible Spending Account Plan with the intention that it will be maintained indefinitely; however, the City reserves the right to alter, amend, delete, cancel, or otherwise change the plan or any provision of the plan at any time.

# Health Care Flexible Spending Account

If you are a regularly appointed full-time or part-time employee and have eligible health care expenses, including medical, dental, and vision, you are eligible to participate.

Expenses for your eligible dependents are also covered by the plan, including your domestic partner if you claim him or her as your IRS tax dependent. The IRS recognizes same-sex couples, legally married in jurisdictions that recognize their marriages, as married for federal tax purposes.

## Health Care FSA vs. Itemized Tax Deduction

You may use a Health Care FSA to pay for any health care expenses considered tax deductible by the IRS, but you also have the option of taking a federal income tax deduction for health care expenses if your eligible expenses exceed 7.5% of your adjusted gross income (AGI). Your contributions to the Health Care FSA do not count toward reaching the 7.5% AGI threshold. In other words, you may not take a tax deduction for the same expenses that are reimbursed from a Health Care FSA. For most people, the Health Care FSA makes the most sense and offers you significant income tax savings throughout the calendar year. Please see a tax advisor for advice on your situation.

## Savings Example

The following example shows how the Health Care FSA can provide a tax advantage. The example is for illustration only and is not intended to show the actual effect on your taxes. Everyone's tax situation is different, and you should discuss your situation with your personal tax advisor.

When you decide whether to participate in the Plan, you should consider your expected income and health care expenses for 2026 the possibility of changes in those amounts, and the "use it or lose it" rule as explained on page 5. Also, consider whether you will use the standard deduction or itemize your deductions. The following compares two employees with the same gross pay and medical costs; one has a Flexible Spending Account, and the other does not. Employee B saves \$540 a year in taxes.

Employee A – Without FSA	Employee B – With FSA
\$35,000 Gross Pay	\$35,000 Gross Pay
<u>-7,093</u> Taxes	<u>-2,400</u> Medical Costs
\$27,907	\$32,600
<u>-2,400</u> Medical Costs	<u>-6,549</u> Taxes
\$25,507 Net Pay	\$26,051 Net Pay
<b>\$2,126 Monthly Pay</b>	<b>\$2,171 Monthly Pay</b>

## Eligible Health Care Expenses

The following is a partial list of health care expenses eligible for reimbursement through the Health Care FSA. A more detailed list is on at [www.navibenefits.com](http://www.navibenefits.com).

- Acne treatment
- Acupuncture
- Allergy and sinus medication
- Antacids
- Anti-diarrheal
- Antibiotic ointment
- Antifungal foot cream
- Anti-gas medication
- Anti-itch cream/gel
- Antiseptic\*
- Asthma treatment
- Bandages
- Birthing classes or Lamaze
- Blood pressure monitor
- Braces (knee, ankle, wrist)
- Burn cream
- Chiropractic
- Cold/hot pack
- Cold sore treatment
- Cold/cough medication
- Compression stockings
- Contracts/solutions
- Contraceptives
- Copayments
- Copayments
- CPAP machine
- Crutches
- Deductibles
- Dental services
- Diabetic supplies
- Diaper rash ointment
- Drug addiction treatment
- Eye drops
- Eye exams
- Fertility monitor
- Fertility treatment
- First aid supplies
- Flu shots
- Hearing aids and supplies
- Hemorrhoid medication
- Hormone therapy
- Hospital fees
- Immunizations
- Incontinence supplies
- Individual counseling
- Insect bite treatment
- Lab work
- Lactose intolerance pills
- Laser eye surgery
- Laxative
- Lice treatment products
- Medical testing devices
- Motion sickness relief
- Nasal strips
- Naturopathic visits
- Optometrist services
- Orthodontia
- Orthotics
- Oxygen and equipment
- Pain relievers
- Physical exams
- Physical therapy
- Pregnancy test
- Prenatal vitamins
- Prescription drugs
- Prescription glasses
- Reading glasses
- Saline nasal spray
- Smoking cessation products
- Speech therapy
- Sterilization procedure
- Stool softener
- Thermometer
- Throat lozenges
- Vaccinations
- Vision therapy
- Walker
- Wart treatment
- Wheelchair and repair
- X-ray

### Over-the-Counter Medicine

You can use your Flexible Spending Account debit card for over-the-counter medicine.

## Ineligible Health Care Expenses

Following is a partial list of health care expenses **not** eligible for reimbursement through the Health Care FSA. If you have questions about expenses not listed, contact Navia Benefit Solutions at 425-451-7002 (toll-free: 800-669-3539).

- Activity tracker
- Books
- COBRA premiums
- College insurance
- CPR classes
- Electric toothbrush/picks
- Electrolysis/laser hair removal
- Face lift
- Finance changes
- Funeral expenses
- Gym membership
- Hair growth products
- Hair transplant
- Household help
- Hygiene products
- Illegal operations and substances
- Imported OTC items
- Imported prescriptions
- Insurance premiums
- Late fees
- Liposuction
- Marijuana
- Marriage counseling
- Massage chair
- Mattress
- Missed appointment fee
- Teeth Whitening
- Toiletries
- Veneers
- Warranties

## Estimating Expenses

The worksheet on the next page can help you estimate your eligible health care expenses not covered by your other benefits. Remember, all eligible expenses for you, your IRS dependent spouse or domestic partner, and your children through the end of the calendar year in which they turn 26 are reimbursable from your Health Care FSA.

## Health Care Costs Estimates

Medical Expenses	Estimated Plan Year Expenses	Vision Expenses	Estimated Plan Year Expenses
Copayments	\$ _____	Copayments	\$ _____
Deductibles	\$ _____	Deductibles	\$ _____
Physical Exams	\$ _____	Eye Examinations	\$ _____
Prescription Drugs	\$ _____	Laser Eye Surgery	\$ _____
Surgical Fees	\$ _____	Prescription Contact Lenses	\$ _____
X-Ray or Lab Fees	\$ _____	Prescription Eyeglasses or Sunglasses	\$ _____
Other Medical Expenses	\$ _____	<b>Other Expenses</b>	
<b>Dental Expenses</b>		Acupuncture, chiropractors, naturopaths (needs verification)	\$ _____
Copayments	\$ _____	Hearing Aids	\$ _____
Deductibles	\$ _____	Immunization Fees	\$ _____
Dentures	\$ _____	Psychiatrist, Psychologist Counseling *	\$ _____
Examinations	\$ _____	Chiropractic Care	\$ _____
Orthodontia	\$ _____		
Restorative Work (crowns, caps, bridges)	\$ _____		
Teeth Cleaning	\$ _____		
Other Dental Expenses	\$ _____		
<b>Total Column 1</b>	\$ _____	<b>Total Column 2</b>	\$ _____
<b>Total Column 1 \$ _____ + Total Column 2 \$ _____ = Total Estimated Expenses \$ _____</b>			

\* Allowed for treatment of specific physical or mental disorders (e.g. depression, alcohol, or drug treatment). A physician's diagnosis is necessary for reimbursement.

**Health Care FSA**

## Making Mid-Year Changes

The election you make when you enroll is effective for the entire plan year. You may only change your election – begin, increase, decrease, or stop your contributions – during Open Enrollment, or when you have a qualifying status change. The following are examples of qualifying status changes:

- Change in your legal marital status including marriage, divorce, death of a spouse, legal separation, or annulment.
- Change in the number of your dependents due to birth, adoption, placement for adoption, or death of a dependent.
- Ending or starting employment by you, your spouse, or dependent or beginning or returning from an unpaid leave of absence (including FMLA leave) affecting eligibility.
- An event that causes a dependent to satisfy or cease to satisfy the requirements for coverage due to age, gain, or loss of student status, marriage, or any similar circumstances as are provided in the accident or health plan.

You have 30 days from the date of the event to change your FSA election(s). The change you make must be consistent with and on account of your status change. For example, if you adopt a child, you can begin or increase contributions to a Health Care FSA (that is consistent with the status change), but you cannot stop or reduce contributions to a current Health Care FSA (that is not consistent).

Questions? Please contact the Benefits Unit at [Benefits.Unit@seattle.gov](mailto:Benefits.Unit@seattle.gov) or (206) 615-1340.

## Debit Card Changes

The health care flexible spending account debit card, the Benefits Card, enables you to pay for eligible flexible spending account expenses directly from your health care flexible spending account, so you don't have to wait for reimbursement, though receipt submittal is still required. The debit card merely provides immediate access to the funds held in your FSA. The IRS requires that each FSA transaction be validated, regardless of the method of payment.

The debit card pays for non-reimbursed out-of-pocket expenses for medical, dental, prescription drug, vision, and hearing services and supplies at any merchant who accepts MasterCard such as doctor's offices, dental and vision clinics, hospitals, pharmacies, mail order pharmacy programs, and drug stores.

The Navia Benefits Card is a debit card that allows you to access your Health Care FSA funds directly instead of paying out-of-pocket and waiting for reimbursement. Navia will send you a Benefits Card automatically through U.S. Mail.

**Health Care FSA**

Even if you have a Benefits Card, you may continue to submit your itemized receipts and reimbursement form to Navia Benefit Solutions for reimbursement by check or direct deposit, as you do now.

## Filing a Claim

To get reimbursed for health care expenses, use the Reimbursement Request Form on the Benefits website at <https://bit.ly/mostFSA> or upload your itemized receipts through the Navia Benefit Solutions portal using your online account (see page 6). Claims for reimbursement from your spending accounts may be submitted at any time during the plan year in which the expenses are incurred or in the first three months of the following year. With the claim form, you must submit a bill or receipt from the provider that gives the following information:

- Name of the provider and – in some cases – the provider's taxpayer identification number
- The date(s) services were provided
- The type of service provided
- Who received the service
- The amount you are responsible for paying

When your Health Care FSA reimbursement request is received and approved, you are reimbursed for your eligible expenses up to the maximum amount you elected, minus any previous reimbursements made during the calendar year. Even if your reimbursement request is greater than your current account balance, you will be reimbursed for the total amount of your request, up to the total Health Care FSA contribution you elected for the plan year. You can file a claim by mail, fax, or upload to the Navia Benefit Solutions website at:

**Navia Benefit Solutions**  
PO Box 53250  
Bellevue, WA 98015-3250  
Phone: 425-452-3500; 800-669-3539  
Fax: 425-451-7002; 866-535-9227  
[www.naviabenefits.com](http://www.naviabenefits.com)

Requests for reimbursement MUST be submitted before March 31 following the close of the plan year, or you will forfeit any funds remaining in the account.

**Health Care FSA**

## **FlexConnect**

FlexConnect is an optional feature that links your insurance providers to your Flexible Spending Account. You can submit reimbursements for services that have been processed through your insurance. To use this reimbursement feature, you must have online accounts with your medical, dental, or vision insurance carriers and be willing to provide your username and password to these sites so that Navia can access your Explanation of Benefits. To set up, go to your online account at [naviabenefitsolutions.com](http://naviabenefitsolutions.com); My Tools, and Access FlexConnect.

## **Reimbursements Direct Deposit**

To have your Health or Daycare reimbursements deposited directly into your bank account, submit the Direct Deposit/Benefits Card Authorization Form to Navia Benefit Solutions after you've enrolled. Or request direct deposit through your online account at [naviabenefits.com](http://naviabenefits.com). Go to "Update My Profile" and select "Bank Account Information".

## **Notification of Claim Denial**

You will receive a response to your claim within 90 days after your claim is submitted. More time may be required if there are special circumstances. If so, the Plan Administrator will contact you within 90 days. This notice will explain why extra time is required and the date you can expect a decision. The extension will not exceed an additional 90 days. If the Plan Administrator fails to notify you within the designated period, your claim will be considered to have been denied. If all or part of your claim is denied, you will receive a written notification explaining the reasons for the denial, a description of any additional information or material needed to complete your claim, an explanation of why the information is necessary, and appropriate information about the plan's claims review procedures.

## **Appealing a Denied Claim**

If your claim is denied and you wish to appeal, you must file your appeal with the Plan Administrator (Navia Benefit Solutions) within 180 days after you receive the denial. Your appeal should include any additional information that you wish the Plan Administrator to consider. If your appeal is not filed within these 180 days, you will not be able to appeal your claim.

The Plan Administrator will notify you in writing within 30 days of receiving your appeal. If there are special circumstances, more time may be necessary to review your appeal. You may be asked to wait an additional 60 days for a decision. The response time will be extended by a reasonable time if necessary. The decision will be final and binding on all parties and will be communicated to you in writing. If you do not receive a written response from the Plan Administrator within the designated period, your appeal will be considered to have been denied.

**Health Care FSA**

## If You Leave Employment

If you leave City of Seattle employment and do not continue your Health Care FSA under COBRA, your participation in your FSA ends the day you leave employment. You have until March 31 of the following year to submit reimbursement requests for expenses incurred through the date you leave.

You may continue participating in your Health Care FSA after you leave City employment (contributing to the account and requesting reimbursements) through the end of the calendar year as long as you elect to continue your FSA plan under COBRA. You have until March 31 of the following year to submit reimbursement requests for expenses incurred during the calendar year while under COBRA.

**Health Care FSA**

## Daycare Flexible Spending Account

If you are a regularly appointed full-time or part-time employee and have children (including adopted children, stepchildren, and foster children) under age 13 who qualify as dependents on your federal income tax return; a spouse who is physically or mentally incapable of self-care; or any other person who qualifies as a dependent on your federal income tax return if that person is physically or mentally incapable of self-care, you are eligible to participate.

To qualify as a dependent for federal income tax purposes, an individual generally must be a member of the taxpayer's household, receive more than one-half of his or her total support from the taxpayer, and fall within the class of persons described in Section 152 of the Internal Revenue Code. Children of divorced or separated parents may qualify as tax dependents of the parent who has custody for the greater part of the calendar year. IRS Publication 503, Child and Dependent Care Expenses, contains additional information regarding qualifying persons.

### Daycare FSA vs. Tax Credit

If you will pay daycare expenses in 2026, you have two options to save money on taxes:

- Daycare FSA – reduces the amount of pay subject to federal income and Social Security taxes.
- Child and Daycare Tax Credit – reduces the amount of federal income tax you pay.

The information provided below will assist you in deciding between the Daycare FSA and the Child and Daycare Tax Credit.

- As your adjusted gross income increases, the tax credit goes down while your federal income and Social Security taxes go up.
- The tax credit allows you to claim only up to \$3,000 in eligible expenses for one dependent and up to \$6,000 for two or more dependents.
- The Daycare FSA allows you to contribute up to \$7,500 in 2026 regardless of the number of dependents.
- You cannot use the Child and Dependent Care Tax Credit on your tax return for expenses that are reimbursed through the Daycare FSA; the tax credit is reduced dollar for dollar by the amount you are reimbursed through the Daycare FSA.

- If you are married and will be filing a separate return for 2026, but not as head of household, you are ineligible for the Child and Dependent Care Tax Credit. Therefore, the Daycare FSA may be your only tax benefit for daycare expenses. A maximum annual contribution of \$3,750 for 2026 would apply to you in this case.

The size of your tax savings will depend upon several factors, including your income, spouse's income, child's age, amount of daycare expenses, filing status, and number of personal exemptions.<sup>1</sup>

Since tax laws are complicated and subject to change, you should re-examine your tax situation every year and consider discussing your situation with a tax specialist. You may need to report on your tax return form 2441 how much was withheld for daycare and who you paid.

## Eligible Expenses

In general, you can use the plan to pay daycare expenses for an eligible dependent so that allows you (and your spouse) to:

- work
- look for work, or
- be a full-time student.

This includes expenses like before and after school care, daycare, preschool, day camps, and elder care. Below are more detailed guidelines:

- Your daycare expenses must be employment-related. For instance, you may use the plan to pay for daycare expenses while you work, but you may not use the plan to pay for a caretaker while you go to a movie.
- Eligible expenses include charges for the care of an eligible dependent inside or outside of your home, including such things as feeding, administration of medicine, general supervision, and nursery school. (Charges may include household services such as cooking, cleaning, and general housekeeping if they are incidental to care for a qualifying person.)
- Daycare services may be provided inside your home, in a licensed daycare shelter, or in someone else's home.
- For dependents other than your children under age 13, services provided outside your home are reimbursable only if the dependent spends at least eight (8) hours each day in your home.
- Out-of-home care expenses must comply with all applicable state and local regulations if the facility provides care for more than six nonresident individuals. (State and local licensing laws may require licensing where care is provided for fewer persons.)
- Services must occur during the plan year (January 1 through December 31) and must be provided while you are employed. If you are married, they must also be provided while your spouse is employed, looking for work if unemployed, or if your spouse is a full-time student, while your spouse attends school.

## Kinside Childcare Network

All City of Seattle employees have access to Kinside's nationwide childcare network. Browse up-to-date openings at preschools, after school programs, summer camps, and more. Pay providers online and take advantage of discounts of up to 20% on childcare. Pay your provider online using your Daycare FSA dollars. No FSA? You may also pay online via ACH. No more clunky claims process.

1. **Create an Account:** If you already have a Flexible Spending Account, log in through your online account at [naviabenefits.com](http://naviabenefits.com). For employees not enrolled in an FSA, visit [join.kinside.com/city-of-seattle](http://join.kinside.com/city-of-seattle) to create an account using your City of Seattle employee email address.
2. **Start Your Search:** Enter your home address to view the daycares, after school care, summer camps, and preschools closest to you, browse profiles, discounts, and more. Chat with a concierge for help with the heavy lifting to find the care options that are right for your family.

**Do you have a location in mind?** Enjoy one-click touring and save on enrollment at partner providers. Let a concierge assist you with booking and enrollment.

## Ineligible Expenses

Some daycare expenses do not qualify for payment through the plan, as follows:

- The cost of schooling for a child in the first grade or above.
- The cost of kindergarten. (The cost of before/after school care is covered.)
- Overnight camp expenses.
- Itemized expenses for classes such as dance, gym, swimming, language, etc. If the fee for the class is included in the regular weekly or monthly fee, then the expense is allowable according to the IRS regulations.
- Payments to a person for whom you can claim a dependency exemption for federal income tax purposes.
  - Expenses that have been paid from other sources, such as another employer's plan.
  - Expenses you pay during the months your spouse has no income. If your spouse is a full-time student or totally disabled, however, special rules apply. These rules are explained under "Estimating Expenses".

**Daycare FSA**

- Expenses you pay if you are absent from work due to illness or injury, even if you receive sick pay and continue to be considered an employee, or while on vacation, holiday, or other time off.

For more information about eligible or ineligible expenses, please refer to the tax instructions for filing Federal Income Tax Form 1040 and IRS Publication 503, Child and Dependent Care Expenses at [www.irs.gov](http://www.irs.gov).

## Estimating Expenses

To participate in the Daycare Flexible Spending Account, you must first estimate the amount of eligible daycare expenses you expect to incur during the plan year and then calculate your annual salary reduction amount. Your annual salary reduction amount is subject to the following limitations.

- If you are unmarried, the amount of your salary you may contribute to the plan is the lesser of \$7,500 or your earned income.
- The IRS recognizes same-sex couples, legally married in jurisdictions that recognize their marriage, as married for federal tax purposes.
- If you are married, the amount of your salary reduction may not exceed the lesser of your earned income or the earned income of your spouse. In addition, if your spouse is a full-time student or incapable of self-care (disabled), he or she is assumed to have income as follows:
  - If you pay daycare expenses for one dependent, you may assume that your spouse's income is \$250 per month.
  - If you pay daycare expenses for two or more dependents, you may assume that your spouse's income is \$500 per month.
  - Your spouse's assumed income applies only to the months that he or she is a full-time student or disabled.
- If you are married and will file a joint return, the total amount that you and your spouse may contribute to this plan in 2026 is \$7,500, subject to the above earned income limits.
- If you are married and will file a separate return, but not as head of household, the maximum amount you may contribute to the plan in 2026 is \$3,750. Special rules apply to which spouse may claim daycare expenses, so be sure to consult your tax advisor.
- If you or your spouse participates in any other daycare plan during the same calendar year in which you participate in the City of Seattle Daycare Flexible Spending Account, the IRS limit is \$7,500 for all plans combined in 2026.
- Further limitations may apply based on your income, your spouse's income, and your filing status. Refer to IRS Publication 503, Child, and Dependent Care Expenses.

Your annual salary reduction amount is divided into equal payroll deductions during the plan year. No deductions will be taken from the third paycheck of the month. These amounts are then deposited into your daycare account.

The amount of salary reduction you elect should not exceed your estimate because federal tax regulations require you to forfeit any amount not expended for a plan year.

The following worksheet will help you estimate your eligible daycare expenses:

<b>Estimated Plan Year Expenses</b>	
Babysitter	\$
Daycare Center	\$
Nursery School	\$
After-School Care	\$
Day Camp	\$
Care for Qualifying Adult	\$
<b>Total Estimated Expenses</b>	<b>\$</b>

**Daycare FSA**

## Making Mid-Year Changes

The election you make when you enroll is effective for the entire plan year. You may only change your election – begin, increase, decrease, or stop your contributions – during Open Enrollment, or when you have a qualifying status change. The following are examples of qualifying status changes:

- Change in your legal marital status, including marriage, divorce, death of a spouse, legal separation, or annulment.
- Change in the number of your dependents due to birth, adoption or placement for adoption, or death of a dependent
- Ending or starting employment by you, your spouse, or your dependent, including a switch between part-time and full-time status, a strike, lockout, or beginning or returning from an unpaid leave of absence (including FMLA ) affecting eligibility.
- An event that causes a dependent to satisfy or cease to satisfy the requirements for coverage due to age, gain, or loss of student status, marriage, or any similar circumstances as are provided in the accident or health plan.
- Change in the place of residence or work of you, your spouse, or your dependent.
- Significant changes in daycare provider's rates (except if relative)
- Change in daycare situation that affects the rates (provider change, infant rate to toddler rate)

You have 30 days from the date of the event to change your FSA election(s). The change you make must be consistent with and on account of your status change. For example, if you adopt a child, you can begin or increase contributions to a Daycare FSA (that is consistent with the status change), but you cannot stop or reduce contributions to a current FSA (that is not consistent). Questions? Please contact your department's benefits representative.

## Filing a Claim

To get reimbursed for health care expenses, use the Reimbursement Request Form on the Benefits website at <https://bit.ly/mostFSA> or upload your itemized receipts through the Navia Benefit Solutions portal using your online account (see page 6).

Claims for reimbursement from your spending account may be submitted at any time during the plan year in which the expenses are incurred but must be submitted before March 31 following the close of the plan year. With the claim form, you must submit a bill or receipt from the provider that gives the following information:

- Name of the provider and the provider's taxpayer identification number and signature if the provider cannot produce a printed receipt from their business
- The date(s) of services were provided
- The type of service provided
- Who received the service

**Daycare FSA**

You can file a claim by mail, fax, or upload to the Navia Benefit Solutions website:

**Navia Benefit Solutions**  
PO Box 53250  
Bellevue, WA 98015-3250  
Phone: 425-452-3500; 800-669-3539  
Fax: 425-451-7002; 866-535-9227  
[www.naviabenefits.com](http://www.naviabenefits.com)

When your Daycare FSA reimbursement request is received and approved, you are reimbursed for your eligible expenses up to your account balance. If your request is greater than your current account balance, the remainder will be paid to you later, after additional contributions are made to your account.

## **Notification of Claim Denial**

You will receive a response to your claim within 90 days after your claim is submitted. More time may be required if there are special circumstances. If so, the Plan Administrator will contact you within 90 days. This notice will explain why extra time is required and the date you can expect a decision. The extension will not exceed an additional 90 days. If the Plan Administrator fails to notify you within the designated period, your claim will be considered to have been denied.

If all or part of your claim is denied, you will receive a written notification explaining the reasons for the denial, a description of any additional information or material needed to complete your claim, and an explanation of why the information is necessary and appropriate information about the plan's claims review procedures.

## **Appealing a Denied Claim**

If your claim is denied and you want to appeal, you must file your appeal with the Plan Administrator within 60 days after you receive the denial. Your appeal should include any additional information that you want the Plan Administrator to consider. If your appeal is not filed within these 60 days, you will not be able to appeal your claim.

The Plan Administrator will notify you in writing within 60 days of receiving your appeal. If there are special circumstances, more time may be necessary to review your appeal. You may be asked to wait an additional 60 days for a decision. The response time will be extended by a reasonable time if necessary. The decision will be final and binding on all parties and will be communicated to you in writing. If you do not receive a written response from the Plan Administrator within the designated period, your appeal will be considered to have been denied.

**Daycare FSA**

## If You Leave Employment

If you leave employment, you may continue submitting reimbursement requests for eligible daycare expenses incurred through the end of the calendar year in which you terminated. You must submit all requests by March 31 of the following calendar year.

**Daycare FSA**

## Additional Administrative Information

### Customer Service

<b>Navia Benefit Solutions Phone</b> 5:00 am – 5:00 pm PST	Direct: 425-452-3500 Toll Free: 800-669-3539
<b>Customer Service Email</b>	customerservice@naviabenefits.com
<b>Mailing Address</b>	Navia Benefit Solutions PO Box 53250 Bellevue, WA 98015-3250
<b>FAX Number</b>	425-451-7002 800-535-9227
<b>Web Site</b>	<a href="http://www.naviabenefits.com">www.naviabenefits.com</a>

### FSA Forms

The following forms are available on [www.naviabenefits.com](http://www.naviabenefits.com) and <https://bit.ly/mostFSA>.

- Flexible Spending Account Claim Form
- Benefits Card/Direct Deposit Authorization Form
- Flexible Spending Account Change/Termination Form

**Remember -- You must re-enroll each year at Open Enrollment to continue participating in Flexible Spending Accounts.**