Title: Washington Wellness Worksite Designation Program Incentive Requirements

SEBB Program Administrative Policy 91-3

Contact:	Policy and Rules Coordinator, ERB Division	**Effective:**	~~October 15, 2020~~January 1, 2022
		Rescinded:	
Associated RCW:	41.05.740 (6)(b)(iii)	**Supersedes:**	
Associated SEB Board Policy Resolutions:	SEBB 2018-55 SEBB 2018-56		
Associated WAC or Executive Order:			
Assoc. fed law/reg:	29 CFR Parts 1630 and 1635 45 CFR § 146.121	**Owner:**	Policy, Rules, & Compliance Manager, ERB Division
Associated Procedures:			
Associated Forms & Communication		**Approved by:**	
		Position:	Director of the SEBB Program
		Date approved:	~~September 17, 2020~~

Purpose:

This policy provides a set of requirements for School Employees Benefits Board (SEBB) Organizations to use when offering wellness incentives under the Washington Wellness Worksite Designation program.

Policy:

1. For plan year ~~2021~~ 2022, the total value of the worksite wellness incentives administered by a SEBB Organization that an eligible school employee may earn must not exceed $900. This value is subject to change annually and cannot be applied towards a health plan deductible or HSA contribution.

2. Participation in the worksite wellness program must be voluntary as defined in 29 CFR § 1630.14(d)(2)(i)-(iv) as:

a. Not requiring school employees to participate;
b. Not denying coverage under any group health plans or limiting the extent of such coverage for non-participation; and
c. Not taking adverse employment action, retaliation against, interfering with, coercing, intimidating, or threatening school employees in relation to non-participation.

SEBB Organizations must provide a reasonable accommodation (modification or adjustment) for a school employee who cannot complete a requirement to earn the wellness incentive.

See SEBB Program Administrative Policy 91-1 requesting a reasonable alternative for completing wellness incentive program requirements or avoiding the tobacco use premium surcharge.

3. SEBB Organizations must include the taxable value of any wellness incentive or reward (cash or cash equivalent such as a gift card, bicycle, gym membership, etc.) that is not an excludable fringe benefit under Code § 132. Code § 132(e) as part of the school employee's gross income. For wellness incentive or reward questions consult the SEBB Organizations payroll and legal counsel.

4. Eligibility to earn the Washington Wellness Worksite incentive must not be discriminatory. The incentive must be available to all "similarly situated" school employees as described in 45 CFR § 146.121.

   Example: A worksite wellness incentive would not be considered discriminatory if eligibility for earning the worksite wellness incentive was based upon bona fide relevant facts of employment (full-time school employees vs. part-time school employees). Extending eligibility to earn the worksite wellness incentive to all full-time school employees would meet the criteria of "similarly situated" school employees.

5. For purposes of the Worksite Wellness Program, the term "incentive" and "reward" have the same meaning and include both obtaining a reward and avoiding a penalty.

6. The SmartHealth program and the Tobacco-Use premium surcharge are integrated components of SEBB medical coverage. The Worksite Wellness Programs administered by SEBB Organizations are stand-alone wellness programs that do not provide or pay for health or medical benefits.

7. Promotional materials (e.g., t-shirt and keychains) must meet "de minimis" fringe benefit standards to not be considered "taxable income" or "cash equivalents."

   Definition of "De minimis fringe benefit": "Any property or service the value of which is (after taking into account the frequency with which similar fringes are provided by the SEBB organization to the SEBB organization's school employees) so small as to make accounting for it unreasonable or administratively impractical." No matter the value, a cash fringe benefit or cash equivalent item (gift card) (other than overtime meal money or local transportation fare) is never excludable as a de minimis fringe benefit.