



Washington State Health Care Authority
Public Employees Benefits Board
PO Box 42684 • Olympia, Washington 98504-2684
hca.wa.gov/erb

September 26, 2023

Name
Address
City, St ZIP

You may receive a \$250 Medical FSA contribution in 2024

Dear Subscriber:

You may be eligible to receive a \$250 Medical Flexible Spending Arrangement (FSA) contribution through your collective bargaining agreement. You are likely to receive this contribution if you meet the following criteria:

- You are a represented PEBB Program employee.
- Your union is part of the health care Coalition described in RCW 41.80.020(3).
- Your rate of pay on November 1, 2023 is \$60,000 or less for a full-time equivalent position.
 - If you work part-time, you still may qualify for this contribution if your position as full-time would provide a salary of \$60,000 or less. For example, if an employee earns \$35,000 and works 20 hours per week, their full-time salary would be \$70,000 and they would not qualify.

How does this benefit work?

You can use your Medical FSA to pay for out-of-pocket health care costs like copays, deductibles, vision or dental expenses, over-the-counter medications, and much more. Use the funds for qualified medical expenses for yourself, your spouse, or other qualified dependents, even if they are not enrolled on your PEBB medical or dental plan.

If you are eligible for this benefit, you will receive the \$250 contribution automatically in late January 2024. It **will not** come out of your paycheck. No action is required on your part. If you haven't received this benefit before and do not enroll in a Medical FSA for 2024, Navia Benefit Solutions (the Medical FSA administrator) will open an account in your name and mail you a welcome letter with your enrollment confirmation, followed by the Navia Benefits Debit Mastercard loaded with the \$250. For security purposes, the debit card comes in a plain envelope and is **not** labeled with a Navia or PEBB logo.

You can still enroll in a Medical FSA on your own for 2024 up to the IRS-mandated cap of \$3,050 in addition to this benefit. The employer-paid contribution of \$250 **does not** count against the maximum Medical FSA contribution. This means you can contribute \$3,050, receive the additional \$250, and have a \$3,300 Medical FSA.

If you do not want this \$250, you do not have to use it. Unused funds may carry over for you to use in the next plan year. However, keep in mind, any funds over \$610, or below \$120 if not enrolling in an FSA for the next plan year, will be forfeited to HCA per IRS rules.



What if I've received this benefit before?

If you received this benefit in January 2023, or you've had a Medical FSA in the last three years, you **will not** receive a new debit card from Navia Benefit Solutions. Instead, your existing debit card will be loaded with the new funds. If you need a new debit card, you can contact Navia at 1-800-669-3539 to ask for a new one. You will still receive a welcome letter in the mail along with your enrollment confirmation notice.

What would make me ineligible for this benefit?

You **will not** receive the \$250 FSA contribution if:

- Your rate of pay on November 1, 2023 exceeds \$60,000 per year.
 - This includes if you work part-time and your position, if full-time, would pay \$60,000 or more per year.
- You enroll in a consumer-directed health plan (CDHP) with a health savings account (HSA) for 2024. Internal Revenue Service rules do not permit a person to have both a Medical FSA and an HSA at the same time, because both are tax-preferred benefits. If you cannot receive the \$250 for this reason, the collective bargaining agreement does not allow the \$250 to be distributed or used in any other way. You will forfeit this benefit.
- You are no longer eligible for PEBB medical coverage by the date the benefit is distributed.
- You waive PEBB medical coverage; unless you waive to enroll as a dependent on someone else's PEBB medical plan (that is not a CDHP with an HSA).
- You are no longer part of a qualifying union.

Where can I learn more?

If you have questions about eligibility for this benefit, please contact your payroll or benefits office. You can also learn more about Medical FSAs in general and get a full list of eligible health care expenses by visiting Navia's website at pebb.naviabenefits.com.

Sincerely,
PEBB Program