September 26, 2022

Dear Subscriber:

You may be eligible to receive a unique benefit through your collective bargaining agreement. Represented employees whose rate of pay on November 1, 2022 is $50,004 a year or less may be eligible to receive a $250 Medical Flexible Spending Arrangement (Medical FSA) contribution in January 2023.

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 you, your spouse, or other qualified dependents’ health care expenses, 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 automatically in late January 2023. 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 2023, 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 a debit card loaded with the $250. For security purposes, the debit card envelope is not labeled with a Navia or PEBB logo.

You can still enroll in a Medical FSA on your own for 2023 up to the IRS-mandated cap of $2,850 in addition to this benefit. The state contribution of $250 does not count against the maximum Medical FSA contribution. This means you can contribute $2,850, receive the additional $250, and have a $3,100 Medical FSA.

If you do not want this benefit, you do not have to use it. Any unused funds will carry over for you to use in the next plan year. Funds over $570, or below $120 if not enrolling in an FSA for the next plan year, will be forfeited to HCA.

What if I’ve received this benefit before?
If you received this benefit in January 2022, 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 lost your 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, 2022 exceeds $50,004 per year.
- You enroll in a consumer-directed health plan (CDHP) with a health savings account (HSA) for 2023. This is an Internal Revenue Service rule because Medical FSAs and HSAs are both 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 enroll in a Limited Purpose FSA for 2023. You cannot have both a Limited Purpose FSA and a Medical FSA in the same year.

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