

# FAQs: \$250 FSA contribution to union-represented PEBB Program members

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## 1. What is an FSA?

A Flexible Spending Arrangement (FSA) is an account which allows you to set aside funds from each paycheck, pretax, to use for qualifying healthcare expenses. **Note:** The PEBB Program previously referred to this benefit as the Medical FSA. There are no changes to this benefit other than the name.

## 2. How do I get this benefit?

You are likely eligible to receive this contribution if you meet the following criteria:

- You are employed in a PEBB benefits-eligible position on January 1.
- You are a union-represented employee.
- Your union is part of the Health Care Coalition described in [RCW 41.80.020\(3\)](#).
- Your rate of pay on November 1 of the previous year is \$60,000 or less for a full-time equivalent position.
  - If you work part-time, you may still qualify for this contribution if your position would provide a salary of \$60,000 or less as full-time. For example, if you earn \$30,000 and work 20 hours per week, your full-time salary would be \$60,000 and you would still qualify.
- You or your spouse or state-registered domestic partner (SRDP) are not enrolled in a consumer-directed health plan (CDHP) with a health savings account (HSA).
- You met the other eligibility criteria as described in the Health Care Coalition Agreement, including PEBB Program eligibility requirements and eligible medical plan enrollment.

If eligible, you will receive the \$250 contribution automatically from Navia Benefit Solutions (the FSA administrator) on behalf of your employer as part of your collective bargaining agreement.

## 3. How will I be notified if I am likely eligible for the \$250?

The PEBB Program mails a letter at the end of September. The letter informs employees:

- They are likely eligible for a \$250 FSA contribution the following January.
- They can only receive this benefit if they or their spouse or SRDP do **not** enroll in a CDHP with an HSA, and they do not waive PEBB medical coverage (unless they waived to enroll as a dependent on someone else's PEBB account).
- They will receive a welcome letter from Navia Benefit Solutions (the FSA administrator) and a Navia Benefits Debit MasterCard if they meet all eligibility requirements.

This \$250 contribution is also mentioned in the state and higher education edition of the October *For Your Benefit* newsletter.

## 4. What would make me ineligible to receive this benefit?

You **will not** receive this \$250 contribution if:

- Your rate of pay on November 1 of the previous year 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 are no longer part of the union-represented group on January 1.
- 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 eligible for PEBB medical coverage on January 1 of the plan year. If you terminate your employment, retire, or lose coverage by the date the benefit is distributed, you will not receive this benefit.
- Note: you cannot use the funds if your spouse or SRDP enroll in a CDHP with a health savings account (HSA) for 2024. Internal Revenue Service rules do not permit a person to have both an FSA and an HSA 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.

**5. I didn't sign up for an FSA. Where did Navia Benefit Solutions get my address and who determined I was eligible?**

Navia gets your mailing address from the PEBB Program. The Office of Financial Management (OFM) is the state agency that determines eligibility for union-represented employees based on their annual rate of pay. The PEBB Program also determines eligibility based on PEBB Program eligibility requirements.

**6. Does this contribution mean I can't contribute the maximum amount to my FSA?**

No. The employer contribution of \$250 does **not** count against the IRS-mandated cap in FSA contributions. This means an employee who elects \$3,200 and receives the \$250 contribution would be allowed to have a \$3,450 FSA.

**7. I heard that the salary requirement is based on the base salary of a full-time equivalent position. What does this mean?**

Your base salary is what you make per year, not including pay for overtime or a bonus. A full-time equivalent position requires your schedule to be 40 hours per week. You can be eligible for the \$250 contribution if you do not work full-time, if your position as full-time equivalent would provide a salary of \$60,000 or less per year. For example, if you earn \$30,000 and work part-time (or 20 hours per week), your full-time salary would be \$60,000 and you would qualify.

**8. What if my salary goes up or I am no longer in a union-represented position after November 1, 2024?**

Eligibility is based on your rate of pay as a union-represented employee as of November 1, 2024. If you get a raise after November 1 and your rate of pay exceeds \$60,000 per year, you will still receive the \$250 so long as you're still in a union-represented position and you meet the additional eligibility requirements.

**9. What if I received this benefit previously, and have not used all the funds yet?**

The FSA has a carryover feature that allows funds between \$120 and \$640 (or funds below \$120 if a member enrolls in an FSA for the following year) to carry over into the next plan year to be used later. Here is an example: On December 31, a subscriber has \$250 left in their FSA. If they enroll in an FSA for the next plan year, the \$250 will carry over and be added to their FSA. If they do not enroll in an FSA for the next plan year, the \$250 will still carry over to establish an FSA because it is above the \$120 minimum.

- If they enroll in a CDHP and a Limited Purpose FSA for the following year, the \$250 will carry over and be added to their Limited Purpose FSA.
- If they enroll in a CDHP and do not enroll in a Limited Purpose FSA for the following year, the \$250 will still carry over to establish a Limited Purpose FSA.

**10. Is my union eligible to participate in this benefit?**

Bargaining unit members represented by a Union in the Health Care Coalition described in RCW [41.80.020\(3\)](#) are eligible for the \$250 FSA contribution. Check with your union representative to see if your union is eligible.

**11. What if I was let go from my position earlier this year?**

You will only be able to claim expenses incurred while employed, up to the last day of the month employment stopped, unless you are eligible to continue coverage (WAC 182-12-133). You may continue to submit claims for reimbursement to Navia Benefit Solutions until March 31 of the following year.

**12. Who do I contact if I have questions?**

For questions about your salary, union status, or other CBA FSA eligibility requirements, contact your payroll or benefits office. For questions about FSAs, your Navia account, and to get a full list of eligible health care expenses, visit Navia's website at [pebb.naviabenefits.com](http://pebb.naviabenefits.com).