

# FAQs: \$250 Medical FSA contribution to represented PEBB Program employees

## 1. Who will receive a \$250 Medical Flexible Spending Arrangement (FSA) contribution in January 2023?

Represented PEBB Program employees whose annual rate of pay on November 1 is \$50,004 or less are eligible for a \$250 Medical FSA contribution in the following January. This benefit was negotiated in the most recent collective bargaining agreement.

## 2. What if I received this benefit in 2022 and haven't spent all my funds yet?

If you enroll in an FSA for 2023 or have at least \$120 (up to \$570) left in your 2022 account, the funds will carry over and still be available in 2023. If you enroll in a consumer-directed health plan (CDHP) for the 2023 plan year and still have at least \$120 left over from the previous year, the leftover amount will be converted to a Limited Purpose FSA.

## 3. Where can I find more information about how a Medical FSA works?

Please visit Navia's website at [pebb.naviabenefits.com](http://pebb.naviabenefits.com). For questions about eligibility for the \$250 benefit, please contact your payroll or benefits office or visit HCA's website at [hca.wa.gov/pebb-employee](http://hca.wa.gov/pebb-employee).

## 4. How are eligible employees notified about this benefit?

The Office of Financial Management releases a list of employees who are likely to be eligible for this benefit. The PEBB Program mails a letter to these employees at the end of September. The letter informs the employee that:

- They are likely eligible for a \$250 Medical FSA contribution from their employer as part of their collective bargaining agreement.
- They can only receive this benefit if they do **not** enroll in a consumer-directed health plan (CDHP) with a health savings account (HSA) and they do not waive PEBB medical coverage (unless they waived to enroll as a dependent on someone else's PEBB account).
- If they meet these requirements, Navia Benefit Solutions (the Medical FSA administrator) will mail them a welcome letter and a \$250 debit card. For employees who enroll in a Medical FSA, the \$250 will be added to their annual election.

In addition, the PEBB Program and Navia each send an email notification to eligible employees who have signed up to receive emails. This benefit is also mentioned in the state and higher-education edition of the October *For Your Benefit* newsletter, and forwardable email messages are provided to employers for them to share with their employees.

## 5. How do I get this benefit?

If eligible, you will receive it automatically from Navia Benefit Solutions (the FSA administrator) on behalf of your employer as part of your collective bargaining agreement. No action is required on your part.

- In January, if you did not enroll in a Medical FSA for 2023, Navia Benefit Solutions will open an account in your name and send you a welcome letter in the mail, followed by a debit card loaded with \$250 to spend on eligible health care expenses. For security purposes, the debit card envelope is not labeled with a Navia or PEBB logo.
- If you got this benefit in 2022 or enroll in a Medical FSA for 2023, the \$250 contribution will be added to your existing Navia account in January 2023. You will still receive a welcome letter from Navia but will not receive a new debit card. If you lost your debit card, call Navia Benefit Solutions at 1-800-669-3539.

## 6. I didn't sign up for a Medical FSA. Where did Navia Benefit Solutions get my address?

Navia gets your mailing address from the Office of Financial Management (OFM). OFM is the state agency that determines eligibility for the \$250 contribution for represented employees based on their annual rate of pay on November 1.

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

No. The state contribution of \$250 does **not** count against the IRS-mandated cap in Medical FSA contributions. This means an employee who elects \$2,850 and receives the \$250 contribution would have a \$3,100 Medical FSA.

## **8. What if I don't want this benefit?**

If you do not want the funds, you do not have to spend them. They will automatically carry over into an FSA 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.

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

You **will not** receive this \$250 contribution in 2023 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 limitation 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 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. If you terminate, retire, or lose coverage by the date the benefit is distributed, you will not receive this benefit.

## **10. What if my salary goes up or I am no longer in a union-represented position after November 1, 2022?**

Eligibility is based on your rate of pay as a union-represented employee as of November 1, 2022. If you get a raise after November 1 and your rate of pay exceeds \$50,004 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.