

PEBB Employer Education Session

FSA & DCAP Plan Design for 2026

Hosted by Chelsea Allen
from Navia Benefit Solutions

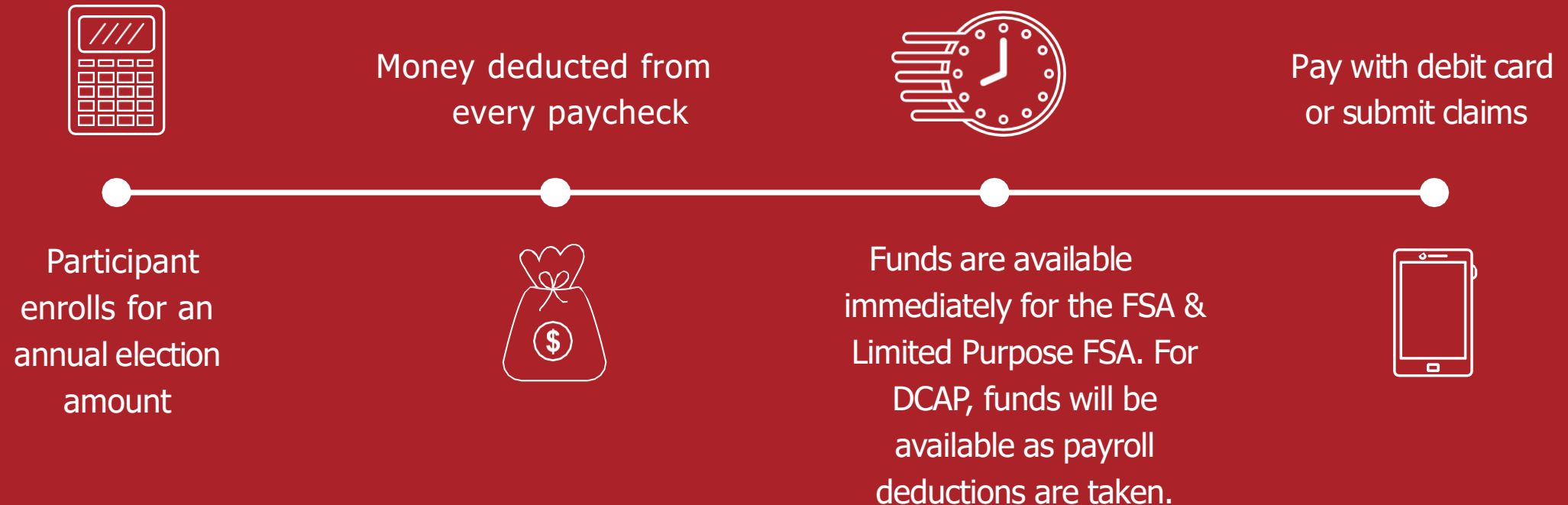
Navia Benefits Overview

Navia administers three benefits for the PEBB plan: the Flexible Spending Arrangement (FSA), the Dependent Care Assistance Program (DCAP), and the Limited Purpose FSA.

These benefits are **personal expense accounts** that allow participants to set aside a portion of their salary **pre-tax** to pay for eligible expenses.



How do the benefits work?



Navia Benefits Overview

	FSA	Limited Purpose FSA	DCAP
Annual election max. (2026)	\$3,400*	\$3,400*	\$7,500
Annual election min.	\$120	\$120	\$120
Compatible with CDHP/HSA	No	Yes	Yes
Eligible expense types	Medical, pharmacy, dental, vision	Dental, vision	Childcare and elder care
Allows carryover	Yes	Yes	No

*If the IRS announces an increase to the maximum before the end of OE, this amount will change

NEW for 2026

If announced prior to the end of Open Enrollment, the HCA will accept the updated IRS annual election max

- Previously, the HCA has chosen to go with the prior year's IRS annual election max instead of allowing the current year's max
- This year the HCA has decided to adopt the current year annual election max if it is announced **prior to the end of OE**. *If it is announced after OE closes, then the HCA will go with last year's max.*
- Because the IRS doesn't usually announce the new max until late October or November, some OE materials may not have the updated max listed, but documents have a disclaimer stating that once the new max is announced, the HCA will accept it if it is announced prior to the end of OE
- The Open Enrollment form has been updated to give employees the following options for both the FSA and Limited Purpose FSA:
 - A)** choose the maximum annual contribution with a note that if the IRS announces a new max, their election will automatically be increased to that amount, or
 - B)** they can choose a different amount less than the max and it will not change if an update is announced

Benefit	Enroll:	2026 Election Amount
FSA Minimum of \$120, maximum of \$3,400* per year. *The IRS may increase the maximum annual contribution limit during Open Enrollment	☐ Yes ☐ No	☐ I am choosing the maximum annual contribution limit for the FSA for 2026 (currently \$3,400*). I understand that if the IRS increases this amount before the last day of open enrollment, and the PEBB Program adopts it for 2026, Navia Benefit Solutions will increase my contribution to match the new contribution maximum. ☐ I am choosing another annual contribution amount: \$_____

Continued in 2026!

Carryover:

Unused FSA or Limited Purpose FSA funds up to \$680* will be rolled over to 2027.



FSA and Limited Purpose FSA - The minimum amount you can elect for the year is \$120 and the maximum amount you can elect for the year is \$3,400*.

*If the IRS announces an increase to the maximum before the end of OE, this amount may increase

How does carryover work?

- Employees can carry over up to \$680* of unused funds at the end of 2026.
- Applies to the FSA, Limited Purpose FSA, and CBA \$300 FSA contribution.
- Does NOT apply to DCAP.
- To receive carryover, employee must be enrolled in the 2027 plan year or have at least \$120 left in their 2026 FSA.
- Any funds above \$680* will be forfeited.
- Employees who enroll in the consumer-directed health plan (CDHP) with a health savings account (HSA) in 2027 will still be eligible to receive carryover. Carryover funds will be converted to a Limited Purpose FSA to avoid tax penalties.

*The IRS does not announce the next plan year's carryover limit until late Fall of the previous year so this amount may increase.

Plan year deadlines

2025 plan year	
Start date	01/01/2025
End date	12/31/2025
Last day to incur	12/31/2025
Last day to submit	03/31/2026

2026 plan year	
Start date	01/01/2026
End date	12/31/2026
Last day to incur	12/31/2026
Last day to submit	03/31/2027

\$300 FSA contribution for union-represented PEBB Program employees

- The benefit was negotiated in the most recent collective bargaining agreement.
- Union represented PEBB Program employees whose annual rate of pay on November 1 is \$68,004 or less may be eligible for a \$300 FSA contribution the following January.
 - Employees who work part time may be eligible for this contribution if their position would provide a salary of \$68,004 or less as full-time. For example, if they earn \$34,002 and work 20 hours per week, their full-time salary would be \$68,004 and they would still qualify.
- Employee or employee's spouse/state-registered domestic partner cannot be enrolled in a CDHP plan with an HSA for 2026.
- Cannot 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 HSA).
- Not eligible if you terminate, retire, or lose coverage by the date the benefit is distributed.
- If a PEBB employee is eligible, and they **haven't** already enrolled in an FSA for 2026, they will automatically receive the \$300 loaded on a Navia debit card in January.
- If a PEBB employee is eligible, and they **have** also enrolled in an FSA for 2026, they will automatically receive the \$300 loaded on top of their 2026 election amount in January.

Open Enrollment options

1. Online – Participants can log in to the participant portal, using their SAW account, at pebb.naviabenefits.com (Exception: UW and WSU employees must use Workday.), or
2. Complete a paper enrollment form and return it to Navia via email or fax:
election@naviabenefits.com or fax: 425-233-6366
If an employee submits a form to you, please send to Navia via upload in the Employer Portal at pebb.naviabenefits.com.

Participants may edit or cancel their elections through the end of the PEBB annual open enrollment period:

October 27 - November 24, 2025

All enrollments must be received by Navia or the employer no later than November 24, 2025.

Employer responsibilities (Open Enrollment)

1. Submit all open enrollment FSA/DCAP forms to Navia at least once a week.

- Forms can be uploaded to the Navia Employer Portal at pebb.naviabenefits.com.
- Open enrollment forms must be received by the employer no later than November 24 to be approved. Any forms received after November 24 cannot be processed by Navia and will be sent to the HCA to determine approval.

2. Set up payroll deductions for the first 2026 payroll in January (exception: HRMS).

- ❖ **A file with your employees' 2026 enrollments will be available in Benefits 24/7 sometime around December 10th. Use this file to set up deductions.** (However, if you do receive forms from your employees, record those for payroll as they come in.)

3. Once payroll deductions begin, report deductions to Navia via file each pay period. Payment is sent to HCA.

Open Enrollment forms will be available on the PEBB Navia website starting on October 27:

<https://pebb.naviabenefits.com/forms-documents/>

Forms are specific to plan year—make sure your employees are submitting forms for the correct year and amount!

- Example: a new hire begins effective 11/1/2025. To enroll for 2026, they will need to submit a *2026 Open Enrollment* form or enroll online. If they want to enroll for 2025, they will submit a *2025 Mid-Year Enrollment* form and elect to contribute however much they want for the remainder of the year, not how much they would have elected for the entire year.

Employer responsibilities (General)

1. Submit all employee FSA/DCAP forms to Navia ASAP upon receipt.

- Forms can be uploaded to the Navia Employer Portal at pebb.naviabenefits.com.
- All forms (except the Open Enrollment form) require an employer signature. Remember to sign it before sending!

2. Begin/modify payroll deductions on next available pay date (exception: HRMS).

3. Report payroll deductions to Navia via file every pay period (exception: HRMS).

4. Send payment for payroll deductions to the HCA.

Forms are available on the PEBB Navia website: <https://pebb.naviabenefits.com/forms-documents/>

Key forms:

- *Open Enrollment* – for use during the open enrollment period only.
- *Mid-Year Enrollment* – used year-round for new hires and newly eligible employees.
- *Change in Status* – for existing employees experiencing a special open enrollment (SOE) event that allows them to enroll in, change, or cancel the FSA/DCAP benefit(s).
- *Agency Transfer* – for new hires to re-enroll who previously worked for an employer with PEBB benefits and participated in the FSA/DCAP. Must not have a gap in employment/PEBB eligibility longer than 30 days to be eligible to re-enroll.

Election Changes Overview

When can employees make changes to their FSA/DCAP benefits?

New hires can make changes to their election within the first 31 days of becoming eligible. After that, employees cannot change their benefit election, election amount, or cancel participation in the FSA or DCAP once the plan year starts unless they end employment, lose eligibility, or experience an event that creates a special open enrollment (SOE). Some of the most common events are:

- Gaining a dependent due to marriage, birth, or adoption.
- Dependent is no longer eligible due to divorce, death, or age.
- Employee or a dependent has a change in employment status that affects the employee's or dependent's eligibility.
- For DCAP, a change in childcare availability or need.

For more information on SOE, see the *Change in Status* form and the *Enrollment Guides* on the [PEBB Navia Forms & Documents page](#).

To submit a change due to SOE, employees must fill out the *Change in Status* form and submit documentation that backs up their SOE event to their employer. The employer then reviews all documents, signs and submits the *Change in Status* form to Navia.

If an employee made mistake with their FSA/DCAP election, what are their options?

First determine if SOE applies to the employee, or if they are still within the first 31 days of eligibility. If they are not, then the benefits administrator cannot approve a change to their election.

An employee who disagrees with a decision that a benefit administrator makes regarding their enrollment or eligibility for an FSA/DCAP can follow the appeal process outlined in PEBB [WAC 182-16-2050](#).

If you have further questions regarding an employee's request to change their election, you may contact the PEBB Program by sending a secure message to Outreach & Training through HCA Support or call 1-800-700-1555.

If you have any questions about the appeals process, please contact HCA Appeals Unit at 1-800-351-6827.

We've got you covered!



Your dedicated team of Account Managers are available to help you Monday through Friday between 7 a.m. and 5 p.m. PST.

(425) 452-3488

PEBBadmin@naviabenefits.com

Questions?