

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

## 1. Will I receive a \$250 Medical Flexible Spending Arrangement (FSA) contribution in January 2024?

You are likely eligible 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.

This benefit was negotiated in the most recent collective bargaining agreement. (The salary threshold was previously \$50,004.)

## 2. 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 over-time or a bonus. A full-time equivalent position requires your schedule 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 \$35,000 and work part-time (or 20 hours per week), your full-time salary would be \$70,000 and you would not qualify.

## 3. What if I received this benefit in 2023, and haven't spent all my funds yet?

If you enroll in an FSA for 2024 or have at least \$120 (up to \$610) left in your 2023 account, the funds will carry over and still be available in 2024. If you enroll in a consumer-directed health plan (CDHP) for the 2024 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.

## 4. 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).

## 5. How are eligible employees notified about the \$250?

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 employees:

- 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).
- They will receive a welcome letter from Navia Benefit Solutions (the Medical FSA administrator) and a \$250 Navia Benefits Debit MasterCard if they meet all eligibility requirements.
  - For employees who enroll in a Medical FSA, the \$250 will be added to their annual election.

This \$250 contribution 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 to share with their employees.

## 6. 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.

- If not enrolled in a Medical FSA for 2024: Navia Benefit Solutions will open an account in your name and send you a welcome letter in the mail, followed by a Navia Benefits Debit Mastercard loaded with \$250 to spend on eligible health care expenses. For security purposes, the debit card comes in a plain envelope and is not labeled with a Navia or PEBB logo.
- If you already received this benefit in 2023 or enroll in a Medical FSA for 2024: the \$250 contribution will be added to your existing Navia account in January 2024. You will still receive a welcome letter from Navia but will not receive a new debit card. If you need a new debit card, call Navia Benefit Solutions at 1-800-669-3539.

## **7. 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.

## **8. 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 \$3,050 and receives the \$250 contribution would have a \$3,300 Medical FSA.

## **9. 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 \$610, or below \$120 if not enrolling in an FSA for the next plan year, will be forfeited to HCA per IRS rules.

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

You **will not** receive this \$250 contribution in 2024 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 are no longer part of the union-represented group on January 1, 2024.
- 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 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 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, retire, or lose coverage by the date the benefit is distributed, you will not receive this benefit.

## **11. What if my salary goes up or I am no longer in a union-represented position after November 1, 2023?**

Eligibility is based on your rate of pay as a union-represented employee as of November 1, 2023. 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.

## **12. How does carryover work with this contribution?**

Here is an example: On December 31, a subscriber has \$250 left in their Medical FSA (that was established by their Collective Bargaining Agreement [CBA]). If they enroll in a Medical FSA, the \$250 will carry over and be added to their Medical FSA election for the next plan year. If they do not enroll in an FSA, the \$250 will still carry over to establish a Medical FSA for their use in the next plan year.

If they enroll in a CDHP and a Limited Purpose FSA, the \$250 will carry over and be added to their Limited Purpose FSA election for the next plan year.

If they enroll in a CDHP and do not enroll in a Limited Purpose FSA, the \$250 will still carry over to establish a Limited Purpose FSA for their use in the next plan year.

**13. Is my union eligible to receive this benefit?**

Bargaining unit members represented by a Union in the healthcare Coalition described in RCW 41.80.020 (3) are eligible for the \$250 medical FSA contribution. Please check with your union representative to see if your union is eligible.