

# Medical Flexible Spending Arrangement Q & A

- 1. Are you an employee represented by Washington Federation of State Employees (WFSE) who will be making \$50,004 a year or less on November 1, 2019?**

If you meet these criteria, you will receive a \$250 Medical FSA contribution from your employer in January 2020. This contribution will **not** come out of your paycheck. You will receive it even if you don't enroll in the Medical FSA for 2020.

However, if you enroll in a CDHP with an HSA or waive PEBB medical coverage (except to enroll as a dependent on another PEBB account), you cannot receive the \$250 contribution. This benefit was negotiated by the State of Washington in the September 2018 Health Care collective bargaining agreement.

If you are found to be eligible for this benefit and enroll in a Medical FSA for 2020, the \$250 will be added to your account in January. If you are eligible but do **not** enroll in a Medical FSA, Navia Benefit Solutions will open an account for you and send you a welcome letter with a debit card loaded with \$250.

If you have questions about this employer-paid benefit, please contact your benefits office.

- 2. Will qualifying members (PEBB eligible; \$50,004 or less on November 1 the previous year) receive \$250.00 into a Medical FSA account both January 1, 2020 and January 1, 2021? Or is this a one-time thing taking place January 1, 2020?**

\$250 will be made available to employees in a Medical FSA for both January 1, 2020 and January 1, 2021.

- 3. Will qualifying members receive a notification or assistance prompting them during Open Enrollment to go online to the Navia Benefits Solutions portal and actually set up an account?**

Eligible employees will receive information about enrolling in a Medical FSA during annual open enrollment from Health Care Authority (HCA). If employees did not sign up during annual Open Enrollment then HCA will create an account for the employee and the \$250 will be deposited. Navia Benefit Solutions will

mail a Welcome packet to employees, with a debit card to access the funds.

If employees have waived PEBB medical coverage, they will not receive the \$250 FSA contribution.

- 4. If this benefit will occur the following year, will the qualifying members be notified they must re-enroll in the Navia Benefits Solutions portal in order to receive the benefit again?**

If eligible employees choose not to contribute additional funds to the Medical FSA, then no enrollment is required. The Medical FSA will be created and the \$250 from the CBA will be made available. If the employee chooses to contribute additional funds, the employee must reenroll in the Medical FSA during annual open enrollment.

- 5. The maximum annual amount that can be contributed to a Medical FSA in 2020 is \$2,700.00. The IRS sets these limitations.**

The IRS sets the maximum amount to be contributed under federal law, but the plan sponsor (HCA) can set a limit lower than the IRS ceiling. Note that the state contribution of \$250 does NOT count against this cap such that a represented employee electing \$2,700 would have a \$2,950 Medical FSA.

- 6. If an employee wanted to contribute more than the benefit that is being offered by the tentative agreement, will that be clear to the qualifying members during Open Enrollment?**

Yes, however, this \$250 doesn't lower the amount the employee may contribute.

- 7. Currently if an employee ends employment during the plan year they are required to complete a form and decide if they wish to stop participation or continue with accelerated contributions (the contribution amount remaining for their plan year). If they stop their participation then the money left in their account after their employment date will be forfeited to HCA. What would happen to the members that left employment and still had all or part of the benefit that is being offered by the tentative agreement? Will that be forfeited to HCA?**

If the employee has COBRA rights and continues to make contributions, costs for care received after employment may still be claimed. Without COBRA rights, an employee may still claim FSA-eligible costs, but only for care received prior to ending employment. Forfeiture of the \$250 is the same as for unused employee funds.

**8. Would they still have the opportunity to submit claims through March 31 of the following calendar year?**

See response to question #7, for employees who elect COBRA. For an employee leaving employment without COBRA rights, claims for eligible costs incurred while employed can be submitted no later than March 31.

**9. What if it's a situation where the member also signed up to contribute some of their own money, is there a way for them to determine that some of that benefit was based on the tentative agreement and some of it was their own money?**

The ability to differentiate between the \$250 and the employee's contributed funds will be determined during implementation.

**10. What if the member uses the contribution for benefits not eligible for coverage?**

If the debit card is used for an ineligible expense, the card will be suspended after 75 days to prevent further use and will remain suspended if the expense is not substantiated or repaid by the end of the plan year. The member may still submit claims by email, mobile app, fax, or mail.

To correct the reimbursement of an ineligible debit card charge, the member must either repay the amount of the ineligible expense back to Navia, or request the substitution or offset of future claims to repay the amount. Navia Benefit Solutions will reactivate the debit card once the member reimburses the account for the amount of the ineligible expense.

**11. What about qualifying members that are hired after November 1, will they receive a benefit to an FSA account?**

The State contribution is based on enrollment as of November 1 each year.