HCA | Health Care Authority
Public Employees Benefits Board

navia benefit solutions

2027

Public Employees Benefits Board (PEBB) Program

Limited Purpose Flexible Spending Arrangement

Enrollment Guide

Use your pre-tax earnings to pay for dental and vision expenses

Questions?

Contact Navia Benefit Solutions

Monday – Friday, 5 a.m. – 5 p.m. PT
Phone: 800-669-3539
Email: customerservice@naviabenefits.com
Fax: 866-535-9227
Mail: Navia Benefit Solutions, PO Box 5179 Fresno, CA 9375

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The Washington State Health Care Authority (HCA) contracts with Navia Benefit Solutions to administer the Limited Purpose Flexible Spending Arrangement (FSA), process claims, and provide customer service for Public Employees Benefits Board (PEBB) Program employees.

Who is eligible?

The Limited Purpose FSA is available to PEBB Program subscribers who work at state agencies, higher-education institutions, and community and technical colleges, and are eligible for PEBB benefits, as described in Washington Administrative Code (WAC) **182-12-114**.

How can a Limited Purpose Flexible Spending Arrangement (FSA) help me?

A Limited Purpose FSA allows you to set aside money from your paycheck on a pre-tax basis to pay for out-of-pocket vision and dental costs. It is intended for subscribers who are enrolled in a consumer-directed health plan (CDHP) with a health savings account (HSA). Savings average thirty percent because you do not owe state, federal, or FICA taxes on funds deposited in a Limited Purpose FSA. You can think of it like this: for every $100 dollars you would deposit in your bank, you can deposit $130 in a Limited Purpose FSA to pay for expenses which are likely to occur such as visiting a dentist or getting new eyeglasses or contact lenses.

Here are some ways you can benefit from a Limited Purpose FSA:

- Your Limited Purpose FSA is compatible with your HSA, so you can spend funds from both accounts in the same plan year. This benefit allows you to save your HSA funds for medical expenses.
- Setting aside a portion of your pay with a Limited Purpose FSA reduces your annual taxable income.
- You can set aside as little as $120 or as much as $3,500 for the calendar year. The full amount you elect to set aside for your Limited Purpose FSA is available on your first day of coverage for expenses. The amount you choose does not affect your HSA contribution.

Note: If the IRS announces an increase to the 2027 FSA maximum contribution limit before the last day of open enrollment, the PEBB Program will adopt the increase for 2027.

- Your Limited Purpose FSA helps you pay for out-of-pocket vision and dental expenses. (See "**What expenses are eligible?**")
- You can use your Limited Purpose FSA for qualified vision and dental expenses for you, your spouse, or other qualified dependents per IRS guidelines, including children, even if they are not enrolled on your PEBB medical or dental plans.

How much can I save on taxes?

Medical expenses can be one of the largest expenses for you or your family, but you can save big on taxes by using this benefit. The funds are deducted from your pay before FICA (7.65%) and Federal income taxes (10-37%) are calculated and can save you between 25 and 40% on each dollar that you enroll in. For example, if we use a 12% tax rate, and you elect $3,000 for the year, you will save around $383 on annual taxes. Visit **pebb.naviabenefits.com** and use the tax-savings calculator to estimate your savings.

What does pre-tax mean?

Funds transferred to your Limited Purpose FSA account are deducted from the gross (without tax) amount of your paycheck before your taxes are calculated. This lowers your taxable income by the same amount you contribute to your Limited Purpose FSA. Limited Purpose FSA funds can only be used for qualifying dental and vision expenses, which are not subject to federal tax.

How does the Limited Purpose FSA work?

- Estimate your dental and vision expenses for the plan year and enroll in a Limited Purpose FSA for that amount up to the maximum contribution. The more accurate you are in estimating your expenses, the better this benefit will work for you.
- You cannot change your election amount after the plan year starts unless a qualifying event, like a birth or marriage, creates a special open enrollment, or you cease to be eligible for the employer contribution toward PEBB benefits.
- The amount deducted from your pay is your annual election amount divided by the number of paychecks you will receive in the plan year.
- Your election will be deducted from your paycheck pre-tax throughout the plan year, so you don't pay FICA (7.65%) or federal income tax (10-37%) on your elected dollars.
- You cannot cancel participation in the Limited Purpose FSA once the plan year starts unless you end employment, lose eligibility for the Limited Purpose FSA, or have a life event that would allow you to make a new election.
- Unused Limited Purpose FSA balances up to $700 can carry over to the next plan year. To receive carryover, you must either:
    - Enroll in a Limited Purpose FSA the following plan year to carry over any amount up to $700, or
    - Have at least $120 remaining in your account to automatically carry over any balance between $120 and $700. Any funds below $120 if you do not re-enroll, or above $700 (regardless of enrollment status), will be forfeited to the plan administrator, the Health Care Authority. See the "**Carryover and Use It or Lose It**" section for details.

You must enroll in a Limited Purpose FSA each year you want to make an election with contributions above the balance that may have carried over.

How much should I enroll for?

- **During open enrollment:** Enroll for the amount equal to your annual care expenses, up to the maximum contribution. The amount deducted from each pay period is your election amount divided by the number of paychecks you receive in the plan year.
    - **Example:** If you elect $3,000 and receive 24 paychecks a year, your contribution will be $125, tax-free, each pay period.
- **When you first become eligible or after a special open enrollment event:** Estimate your expenses for the remainder of the plan year (when you become eligible through December). The election amount you select will be taken out in equal portions from your remaining paychecks for the year.
    - **Example:** You are newly eligible upon being hired September 1. You should calculate your expenses for September through December. If you enroll for $1,000, and would normally receive 24 paychecks a year, your contribution will be $125, tax free, for each of the remaining eight pay periods in September through December.

When can I enroll and how do I do it?

University of Washington (UW) and Washington State University (WSU) employees must enroll through **Workday**. The following eligibility rules and deadlines still apply.

There are three occasions when you are eligible to enroll in a Limited Purpose FSA.

1. **You are newly eligible.**

   Enroll no later than 31 days after the date you become eligible for PEBB benefits.

   To enroll, fill out the *PEBB Midyear Enrollment Form* and return it to your payroll or benefits office. You can find the form online at **pebb.naviabenefits.com**, or request it from your employer. (**Exception:** UW and WSU employees must use Workday.)

Note: If you are newly eligible after open enrollment has ended, you can enroll for the remainder of the current plan year by filling out the PEBB Midyear Enrollment Form. If you want to enroll for the upcoming plan year as well, you will also need to complete the *Open Enrollment Form* within **the first 30 days** of gaining eligibility.

2. **You are enrolling during the PEBB Program's annual open enrollment.**

   Enroll no later than the last day of the PEBB Program's annual open enrollment.

You can enroll online through Navia's portal at **pebb.naviabenefits.com**. Online enrollment through Navia's portal is only available during the PEBB Program's annual open enrollment. (**Exception:** UW and WSU employees must enroll through Workday.)

Instead of enrolling online, you can download and print the *PEBB Open Enrollment Form* at **pebb.naviabenefits.com**. (This option is not available to UW or WSU employees.) Navia must **receive** your enrollment form by the last day of open enrollment. Forms received after that date will not be accepted.

If you would like to make an election and contribute funds in addition to any balance that may have carried over from the previous year, you must enroll in a Limited Purpose FSA again the following year.

Note: If the IRS announces an increase to the 2027 FSA maximum contribution limit before the last day of open enrollment, the PEBB Program will adopt the increase for 2027. If you chose the maximum contribution limit for 2027, Navia Benefit Solutions will increase your contribution to match the new contribution maximum. Historically, this amount has increased by $100 at most.

3. **You are enrolling after a life event that qualifies for a Special Open Enrollment.**

   Enroll no later than 60 days after you or an eligible dependent experience a qualifying life event, like a birth or marriage, that creates a special open enrollment. Follow submission instructions on the enrollment form. (See "**When can I make changes?**" for details on special open enrollment events.)

   If you have a qualifying event, submit the *PEBB Change in Status Form* and return it, along with evidence of the event, to your payroll or benefits office within the required timeframe. You can find the form online at **pebb.naviabenefits.com**, or request it from your employer. (**Exception:** UW and WSU employees must use Workday.)

When does my coverage begin?

If you enroll when you first become eligible for PEBB benefits, your coverage begins the first day of the month after the date you become eligible for benefits. For instance, if you gain eligibility September 15, your benefit would begin October 1.

If eligibility starts on the first of the month, your coverage begins that day. For instance, if you gain eligibility October 1, your benefit would begin October 1.

If you enroll during the PEBB Program's annual open enrollment, your Limited Purpose FSA is effective the following January 1 through December 31.

If you have a qualifying event that creates a special open enrollment that allows an enrollment or election change, it will be effective the first day of the month after the later of:

- The event date.

- The date your payroll or benefits office receives the *PEBB Change in Status Form* and evidence of the event.

Exception: If the special open enrollment is due to birth or adoption (or assumption of legal obligation for support ahead of adoption), the enrollment or change will begin the first of the month in which the event occurs.

Whose expenses qualify?

The Limited Purpose FSA covers dental and vision expenses that occur during the plan year for you, your spouse, or your qualified dependents, even if they are not enrolled in your PEBB dental or vision plan.

You may also claim certain expenses for a child for whom you do not get the tax exemption due to a divorce decree, as long as one parent claims the child as a dependent. The exemption may switch from year to year between parents. If one parent receives the tax exemption, the dental or vision expenses you pay on behalf of the child may qualify for the Limited Purpose FSA reimbursement.

What expenses are eligible?

Only dental and vision expenses are eligible for reimbursement through a Limited Purpose FSA. Below is a list of common expenses that may be eligible for reimbursement. **Not all eligible items are on this list**.

Dental copayments or coinsurance	Eyeglasses	Eye drops and treatment
Dental services	Reading glasses	Lasik
Dentures	Prescription sunglasses	Orthodontia
	Contacts lenses and solutions	

For a complete list of eligible expenses, visit **pebb.naviabenefits.com/benefits/expenses** or call Navia Benefit Solutions at 800-669-3539.

When is additional documentation required?

Certain expenses cannot be reimbursed under a Limited Purpose FSA unless a licensed health care practitioner states in writing to Navia Benefit Solutions that the service or product is medically necessary. Navia will need a *Letter of Medical Necessity* (LMN) for the items below before they can be reimbursed. Not all items requiring an LMN are on this list. For a complete list, and to download a printable copy of the LMN, go to **pebb.naviabenefits.com** or call Navia Benefit Solutions at 800-669-3539.

Orthodontia expenses

Unlike other Limited Purpose FSA expenses, which are deemed incurred when the services occur, orthodontia expenses are considered incurred when paid. Therefore, only payments made during your eligibility period or plan year (whichever ends first) may be reimbursed.

Proof of payment to an orthodontia provider or a completed PEBB *Orthodontia Contract* is required for reimbursement. You can download a printable copy of the PEBB *Orthodontia Contract* by visiting **pebb.naviabenefits.com** or calling Navia Benefit Solutions at 800-669-3539.

Stockpiling

IRS regulations prohibit you from receiving a reimbursement from your Limited Purpose FSA for a large quantity of any item in any one transaction. Buying more than three of the same item in any one transaction is considered stockpiling and will not be reimbursed.

Ineligible expenses

The following expenses are not eligible under a Limited Purpose FSA. Under no circumstances will the following items be reimbursed. Do not submit claims for these items; they will be denied.

Medical expenses	Late fee	Vitamins and supplements
Electric toothbrush/picks	Missed appointment fee	
Hygiene products	Teeth whitening	

For a complete list, visit **pebb.naviabenefits.com** or call Navia Benefits Solutions at 800-669-3539.

An expense is also not eligible for reimbursement under a Limited Purpose FSA if the expense has already been reimbursed under this plan or by any other source. When submitting an expense for reimbursement you will also be required to certify that you will not seek or be reimbursed for the expense by any other source or insurance.

How do I get reimbursed?

Navia Benefit Solutions will send you a claim form when you enroll in the Limited Purpose FSA. Submit your claim and documentation to Navia Benefit Solutions for reimbursement.

The documentation must show the:

- Name of the provider
- Name of the person receiving the service or expense
- Dates of service
- Cost
- Type of expense or description of the services

You can use bills from your providers or statements from your insurance company as documentation. Do not submit copies of canceled checks or credit or debit card receipts. Your documentation will not be returned. Remember that:

- Expenses must occur during the plan year while you are an active participant in the plan. You may not submit claims for services that occurred after your employment

has ended, after you lose eligibility for the Limited Purpose FSA, after you revoke your election because of a life event, or after you have retired.
- Navia Benefit Solutions will not reimburse any expenses that occurred before your effective date of enrollment.
- An expense is "incurred" when a dental or vision service occurs or the eligible item is purchased – not when you are billed, charged, or when you pay for the medical care.

Expenses may also be paid directly at the point-of-sale using the Navia Benefits debit card. See "**The Navia Benefits Debit Card**" section for more information.

Navia Benefit Solutions offers several convenient ways to submit your claim and documentation. Choose one of the following:

- **Online:** **pebb.naviabenefits.com** (you will need to create a login and password)
- **Fax:** 866-535-9227
- **Email:** **claims@naviabenefits.com**
- **Mail:** Navia Benefit Solutions, PO Box 5179 Fresno, CA 93755
- **Mobile App:** The *MyNavia* app is available on both Google Play and the App Store. Search for *MyNavia* or Navia Benefit Solutions.

Navia Benefit Solutions will process your claim within a few business days and either make an electronic funds transfer into your bank account (if you enrolled in direct deposit) or mail you a reimbursement check. If your claim requires additional substantiation, processing could be delayed.

You may enroll in direct deposit at any time by logging into your participant account at **pebb.naviabenefits.com**. Keep in mind that deposits by electronic funds transfer may take a few business days to appear in your account. Navia will deduct a $10 fee from your Limited Purpose FSA balance for any returned items due to incorrect banking information.

Lost or expired Limited Purpose FSA reimbursement checks can be reissued 10 business days after the original check date. A check reissue requires at least one business day to process. Any fees associated with attempting to cash or deposit the canceled check will be deducted from your Navia account as well as the amount of the check.

Navia Benefit Solutions will send you a quarterly statement showing your account balance to the mailing address or email address you designate, until your balance reaches $0. It is important to read these statements carefully, so you understand the balance remaining to pay for eligible expenses. Remember, all services should be incurred by the end of the plan year.

Claim submission deadline

You must submit all claims to Navia Benefit Solutions for reimbursement by **March 31, 2028**. If you are no longer employed or have retired and still have money left in your account, you can still submit claims for reimbursement by March 31, so long as the services took place while you were employed.

Carryover and “Use it or lose it”

If you have not spent all the funds in your Limited Purpose FSA by December 31 — and you are still employed and eligible for this benefit — you may be able to take advantage of the carryover feature.

Carryover allows you to keep some funds for the next plan year. The maximum contribution limit is set by the IRS, and the amount is usually announced in late fall after HCA's annual open enrollment begins. Due to the timing of the IRS announcement, HCA adopts the increased maximum contribution limit for the following plan year. The maximum carryover amount is at least $700. (Because of the timing of IRS updates, this amount may increase slightly during the plan year. It will not decrease.)

To receive carryover, you must enroll in an FSA or Limited Purpose FSA for the next plan year or have at least $120 left in your account on December 31. Any funds below $120 if you do not re-enroll, or above $700 (regardless of enrollment status), will be forfeited to the plan administrator, the Health Care Authority. Once the money is forfeited, you cannot claim it. This is referred to as “use it or lose it.”

If you enroll in a CDHP with an HSA, you cannot enroll in an FSA. However, you can enroll in a Limited Purpose FSA and carry over your remaining FSA funds up to $700 from the previous plan year.

Carryover examples

Less than $120 remaining

Sharon has $100 left in her Limited Purpose FSA on December 31 (less than the $120 minimum). If she enrolls in a Limited Purpose FSA for the next year, the $100 will carry over and be added to her Limited Purpose FSA election for the next plan year.

If she does not enroll in a Limited Purpose FSA for the next plan year, the $100 will be forfeited because it is below the $120 minimum.

Between $120 and $700 remaining

Jerry has $150 left in his Limited Purpose FSA on December 31 (between the carryover minimum and maximum amounts). If he enrolls in a Limited Purpose FSA, the $150 will carry over and be added to his Limited Purpose FSA election for the next plan year. If he does not enroll in an FSA, the $150 will still carry over to establish a Limited Purpose FSA for his use in the next plan year.

Over $700 remaining

Taylor has $800 left in their Limited Purpose FSA on December 31 (over the $700 maximum that can be carried over). If they enroll in a Limited Purpose FSA, $700 of the $800 will carry over and be added to their Limited Purpose FSA election for the next plan year; the remaining $100 will be forfeited. If they do not enroll in an FSA, $700 will still carry over to establish a Limited Purpose FSA for their use in the next plan year, and the remaining $100 will be forfeited.

The Navia Benefits Debit Card

This debit card is a convenient way to pay for eligible out-of-pocket dental and vision expenses for you, your spouse, and your qualified dependents. Rather than filing a claim and waiting for reimbursement for your out-of-pocket eligible expenses, you can use the debit card at participating merchants to pay your provider directly. The expense is deducted from your Limited Purpose FSA balance.



Participating merchants using the Inventory Information Approval System (IIAS) and medical care merchants using the MasterCard® system can accept the debit card. You can find a list of IIAS participating merchants at **pebb.naviabenefits.com**. This system allows Navia Benefit Solutions to electronically substantiate the eligibility of your expense. However, the IRS has strict regulations about where the debit card can be used and when follow-up documentation is required for transactions that cannot be substantiated electronically.

Using the debit card does not eliminate the need to submit follow-up documentation when requested by Navia Benefit Solutions. If any of your debit card charges do require substantiation, you will receive a summary of your card activity for those charges from Navia Benefit Solutions at the beginning of each month. **We recommend you always save all your receipts and documentation.**

If you use the debit card for an ineligible expense, you 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 you reimburse the account for the ineligible expense. If you do not, 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. You may still submit claims by email, mobile app, fax, or mail.

You must provide a valid email address to receive the debit card when you enroll. If you enroll in both the Limited Purpose FSA and DCAP, the same debit card will work for both benefits.

Debit card requests

You may request a debit card when you enroll or through the Navia Benefit Solutions website. You may request additional cards at no cost. If your debit card is lost or stolen, contact Navia Benefit Solutions immediately so we can help protect your account from unauthorized transactions.

Use your debit card with participating merchants

You can use the Navia Benefits Card at IIAS-participating merchants and medical care merchants using the MasterCard® system. The IIAS system recognizes most eligible Limited Purpose FSA expenses. Purchasing dental and vision services and items through these merchants can lower the number of additional substantiation requests. Remember to keep your receipts in case additional proof is requested.

Participating merchants generally include:

- Provider offices
- Dental and vision clinics
- IIAS participating merchants

You can find a list of IIAS participating merchants at **pebb.naviabenefits.com**.

How do I receive information from Navia Benefit Solutions?

You can choose your method of communication. For example, if you provide an email address, statements and other communications will be sent automatically to your email. You may change your method of communication or opt out of email delivery online at **pebb.naviabenefits.com** or by calling Navia Benefit Solutions at 800-669-3539.

When can I make changes?

You cannot change your election amount or cancel participation in the Limited Purpose FSA once the plan year starts unless you end employment, lose eligibility for the Limited Purpose FSA, or experience an event that creates a special open enrollment (SOE). Some of these events are listed below.

- Employee gains a new dependent due to:
    - Marriage;
    - Registering a state-registered domestic partnership, if the state-registered domestic partner qualifies as a tax dependent of an employee;
    - Birth, adoption, or when the subscriber has assumed a legal obligation for support ahead of adoption; or
    - A child becoming eligible as an extended dependent through legal custody or legal guardianship.
- Employee's dependent no longer meets PEBB eligibility criteria due to:
    - Employee’s change in marital status;
    - Employee's domestic partnership with a state registered domestic partner, who is a tax dependent, is dissolved or terminated;
    - A dependent losing eligibility as an extended dependent or as a dependent with a disability;
    - A dependent child turning age 26; or otherwise no longer meeting dependent child eligibility; or

    - A dependent dies.
- Employee or the employee's dependent loses other coverage under a group health plan or through health insurance coverage, as defined by the Health Insurance Portability and Accountability Act (HIPAA).
- Employee or a dependent has a change in employment status that affects the employee's eligibility for their employer-based group health plan.
- A court order requires the employee or any other person to provide insurance coverage for an eligible dependent of the employee.
- Employee or an employee's dependent enrolls in, or loses eligibility for, coverage under Medicaid or a state Children's Health Insurance Program (CHIP).
- Employee or an employee's dependent enrolls in or loses eligibility for coverage under Medicare.

If you experience a qualifying event as described above, and need to enroll, change your election amount, or cancel your enrollment in your Limited Purpose FSA, download the *PEBB Change in Status Form* from **pebb.naviabenefits.com**. (**Exception:** UW and WSU employees must submit the change in status through Workday.)

Return your *PEBB Change in Status Form* along with proof of your qualifying event to your payroll or benefits office for approval. Unless stated otherwise, your employer must receive the *Change in Status Form* and evidence of the qualifying event **no later than 60 days** after the qualifying event. Your employer will submit an approved form to Navia Benefit Solutions for processing. The change to your Limited Purpose FSA election may be delayed or denied if proof of the qualifying event is not received with the *PEBB Change in Status Form*.

Approved leave of absence (including Leave Without Pay)

You may elect to continue your FSA participation while you are on an approved leave of absence including Uniformed Services Employment and Reemployment Rights Act (USERRA or military), Paid Family and Medical Leave (PFML) and Family and Medical Leave Act (FMLA), because of one of the following events:

- You are on authorized Leave Without Pay (LWOP) from your agency.
- Your employment ends due to a layoff.
- You are an employee who reverted to a position that is not eligible for the employer contribution toward insurance coverage.
- You are appealing a dismissal action.
- You are receiving time-loss benefits under workers' compensation.
- You are applying for disability retirement.
- You are called to active duty in the uniformed services, as defined under the Uniformed Services Employment and Reemployment Rights Act (USERRA).
- You are on approved educational leave.
- You are faculty or seasonal employee between periods of eligibility.

If your employer has approved your leave of absence and you will have at least eight hours of pay status as an employee in a given month (or at least 5 percent of full-time for faculty), you may continue your Limited Purpose FSA through payroll deduction as long as the hours of pay status cover all deductions; no form is needed. Otherwise, you may make contributions to your employer as follows:

- Pay your contributions during the leave directly to your employer's payroll office, or
- Pre-pay your contributions to your employer before you go on leave.

If you are not using at least eight hours of pay status (or at least 5 percent of full-time for faculty) to maintain your benefits, the PEBB Program will mail you the *PEBB Continuation Coverage Election Notice* and you may elect to continue your PEBB health plan coverage by self-paying the full premium (Unpaid Leave coverage). You may also continue your Limited Purpose FSA contributions on a post-tax basis by making contributions to Navia Benefit Solutions as follows:

- Pay your contributions during the leave directly to Navia Benefit Solutions; or
- Pre-pay your contributions to Navia Benefit Solutions before you go on leave. If you select this option, you must arrange this before going on leave by completing the *PEBB Change in Status Form*, available at **pebb.naviabenefits.com** or by calling Navia Benefit Solutions at 800-669-3539. (**Exception:** UW and WSU employees must use Workday.)

If you are taking a leave of absence that qualifies as an approved Family Medical Leave Act (FMLA) or Uniformed Services Employment and Reemployment Rights Act (USERRA or military) leave, you may end all or part of required contributions consistent with the requirements of the FMLA or USERRA. This choice will not affect your ability to continue enrollment in PEBB's other benefits as allowed by PEBB rules.

If you choose to pause contributions during approved FMLA or USERRA leave, when you return, you may:

- Resume participation at the same annual amount elected at the start of the plan year, with a corresponding increase in per-pay-period contributions for the rest of the plan year; or
- Participate at a reduced annual amount for the plan year and resume the per-pay-period contribution in effect before the FMLA or USERRA leave.

To resume your Limited Purpose FSA, you must fill out and send the *PEBB Change in Status Form* and evidence of the qualifying event to your payroll or benefits office **no later than 60 days** after the qualifying event. Your employer will submit an approved form to Navia Benefit Solutions for processing (**Exception:** UW and WSU employees must use Workday). If you submit your form more than 60 days after returning to work, Navia Benefit Solutions will deny your request.

Important: If you are unable to pay your contributions in full while on approved FMLA or any other benefits-eligible leave, you cannot continue to submit claims for reimbursement for that period. For example, if you are on

benefits-eligible leave in September and do not submit your Limited Purpose FSA contributions, claims incurred during that month cannot be submitted for reimbursement. Future contributions should be recalculated to ensure they meet your annual election total by the end of the plan year.

If you are ineligible for benefits while on leave, you will not be able to claim services incurred during your leave of absence.

Transfers between state agencies and higher-education institutions

If you enroll in a Limited Purpose FSA and later change jobs and move to another Washington state agency, higher-education institution, or community or technical college that offers PEBB benefits, your enrollment will continue as long as:

- Your new position is benefits-eligible for participation in the Limited Purpose FSA; and
- You notify your new employer's payroll or benefits office of your transfer no later than 31 days after your first day of work in the new state agency; and
- There is no more than a 30-day lapse in employment or reemployment within the same plan year. If you have more than a 30-day break in PEBB benefits coverage, you cannot enroll or re-enroll in the Limited Purpose FSA during the same plan year.

If you are eligible to continue your enrollment, your per-paycheck deductions may increase, if necessary, to meet the annual contribution amount by the end of the plan year.

An agency transfer is not a qualifying event to change your Limited Purpose FSA election. If your transfer satisfies the above guidelines, please submit the *PEBB Agency Transfer Form* to your new payroll or benefits office **no later than 31 days** after the date you transfer, but before the end of the plan year. The employer you transfer to must submit your form to Navia Benefit Solutions. (**Exception:** UW and WSU employees must submit the agency transfer through Workday.)

Continuation coverage through COBRA

A participant, their spouse, or qualified dependent may choose to continue the Limited Purpose FSA if one or more of the following qualifying events occur:

- Death of the participant.
- Termination of the participant's employment (other than for gross misconduct) or a reduction in hours.
- Divorce of the participant; or dissolution or termination of a state-registered domestic partnership with a domestic partner who qualified as a dependent.
- A dependent child loses eligibility for PEBB insurance coverage.
- A dependent child is automatically removed from PEBB insurance coverage due to dual enrollment restrictions between the PEBB and SEBB Programs.
- A participant becomes enrolled in benefits under Medicare.

When any of these occur, you or a dependent must notify Navia Benefit Solutions. If, on the date of the qualifying event, your remaining benefits for the current year are greater than your remaining contribution payments, Navia Benefit Solutions will give each eligible dependent the right to choose Limited Purpose FSA continuation coverage.

If you are eligible for this option, Navia Benefit Solutions will mail a COBRA election notice to you. If you elect Limited Purpose FSA continuation coverage through Navia Benefit Solutions, you must do so **no later than 60 days** from the date the notice of continuation rights was mailed to you.

You may continue participating in the Limited Purpose FSA by making post-tax contributions directly to Navia Benefit Solutions for the rest of the plan year. Participation in the Limited Purpose FSA would continue through December 31, 2027, or until you stop making the monthly contribution on the predetermined payment date. If you do not make a payment on time, you may submit claims only for expenses incurred through your last active month of paid participation.

You also cannot receive reimbursement from your Limited Purpose FSA if the date of service for the expense is during an unpaid work period when eligibility is lost. For example, if you lose eligibility beginning July 1, you can only receive reimbursements for the rest of the year if:

- You continue making contributions directly to Navia Benefit Solutions during the months of July through December, **and**
- The dates of service for the expenses occur during the months you continue to contribute.

Finally, if you maintain your Limited Purpose FSA contribution during your continuation coverage through December 31, you can submit claims to Navia Benefit Solutions through March 31, for your Limited Purpose FSA balance.

What happens if my employment ends?

A Limited Purpose FSA is an employee benefit. As a result, except as noted in the "**When can I make changes?**" section, when your employment ends, you retire, or you go on unpaid leave that is not approved FMLA or military leave, you can no longer contribute to your Limited Purpose FSA. If you are a non-Medicare or Medicare retiree, you cannot enroll in the FSA and/or DCAP.

This means that your participation ends on the last day of the calendar month in which you were employed. You will only be able to claim expenses incurred while employed, up to your available balance, 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, 2028.

Except as stated in the "**Continuation coverage through COBRA**" section, Navia Benefit Solutions will not reimburse any expenses incurred while you were not actively enrolled in a Limited Purpose FSA.

If you end employment during the plan year or retire, contact your payroll or benefits office to find out if you can request one of the options below. Not all agencies can accommodate the options.

- **Stop deductions:** Your deduction and participation will stop at the end of the month in which you are benefit eligible. You may be reimbursed only for services incurred on or before the termination date. You can submit claims for reimbursement to Navia Benefit Solutions until March 31, 2028.
- **Accelerate deductions:** You can authorize your employer to take future deductions from your final paycheck only. This final deduction will be pre-tax and you can participate in the plan to the extent contributions are made.
- **Continue with COBRA:** Under certain circumstances, you may be eligible to continue participation through Navia Benefit Solutions on an after-tax basis through COBRA. (See "**Continuation coverage through COBRA**" above.)

How do I appeal a denied claim?

You will receive written notice of any denied claims within seven calendar days of when Navia Benefit Solutions receives the claim. The notice will include the reasons for the denial, a description of any additional information needed to process the claim, and an explanation of the claims review procedure.

You may resubmit your claim to Navia Benefit Solutions with additional information **no later than March 31, 2028**. If you wish to file a first level appeal, Navia Benefit Solutions must receive your appeal **no later than 30 calendar days** from the date the denial was issued.

Your appeal must include:

- A statement outlining why you think your request should not have been denied
- Your employer's name
- The dates of the services denied
- A copy of your original claim
- A copy of the denial letter you received
- Any additional documents or information that supports your appeal

Navia Benefit Solutions will send you a written notice of the resolution of your appeal within 30 calendar days. Appeals are approved only if the extenuating circumstances and supporting documentation are within IRS regulations and the document that governs the Limited Purpose FSA.

To file a first-level appeal with Navia Benefit Solutions, use one of the methods below:

- **Email:** **claims@naviabenefits.com**
- **Fax:** 866-535-9227
- **Mail:** Navia Benefit Solutions, PO Box 5179 Fresno, CA 93755

If you receive a denial of your appeal from Navia Benefit Solutions and you disagree with that decision, you may submit a second-level appeal through the Brief Adjudicative

Proceeding (BAP) process to the Public Employees Benefits Board (PEBB) Appeals Unit as described in Washington Administrative Code (WAC) **182-16-2050(3)**.

The PEBB Appeals Unit must receive your request for a BAP **no later than 30 calendar days** after the date of the Navia Benefit Solutions decision on your appeal. The contents of your request for a BAP are to be provided as described in WAC **182-16-2070**. Include a copy of the denial notice you received from Navia Benefit Solutions with your appeal, along with any supporting documentation.

You may submit the *Employee Request for Review/Notice of Appeal* form with your appeal, which is available at **hca.wa.gov/pebb-appeals**.

You may send the form and any supporting documents by one of the following methods**:**

- **Online:** Through HCA Support at **support.hca.wa.gov/hcasupport**
- **Hand Delivery:** Health Care Authority, 626 8th Ave SE, Olympia, WA 98501
- **Fax:** 360-763-4709
- **Mail:** Health Care Authority, PEBB Appeals, PO Box 45504, Olympia, WA 98504-5504

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