

Navia constructs solid benefits for engineering services firm

PACE's COBRA administration becomes much more civil after partnering with leading national TPA

navia | Case Study

Employer: PACE Engineers

Sector: Engineering

Size: 140 employees

Locations: Washington: Kirkland (HQ), Everett, Wenatchee; Oregon: Lake Oswego

Benefit Services: COBRA, Healthcare FSA, Daycare FSA, Limited Purpose FSA

\$100

Eliminated \$100 daily minimum excise tax for COBRA noncompliance

PACE is an employee-owned engineering services company that offers clients a complete package of civil and structural engineering, planning, surveying, and GIS services.

For more than 25 years the PACE mission has been to support community infrastructure and ensure developing communities receive the professional expertise to grow and prosper in a sustainable manner. With five locations in the Pacific Northwest, PACE seeks to promote long-lasting client relationships and, as an industry leader, strives to ensure its employees have an enjoyable and meaningful workplace.

"PACE offers a variety of employee benefits to help those workers meet their professional and personal goals," says Karmell Dawson, Human Resources Director, who has been with the company for 18 years. Navia administers the company's tax-savings programs of Healthcare Flexible Spending Account (FSA), Limited Purpose Healthcare FSA, and Day Care FSA. COBRA is another important benefit Navia handles. "The benefits Navia administers for PACE fit our company size and complement the other benefits PACE offers."



"PACE is a company that focuses on quality engineering as well as the care of our employees. We are a caring company that likes to have fun. Our employees, clients, and communities are important to us," she points out.

Challenge: Complex COBRA laws present obstacles



Noncompliance \$100
a day penalty/per EE



Complex legal
notifications



COBRA enrollment
a difficult chore



Awkward
moments with
former employees

Karmell was finding it painful to handle the COBRA administration. COBRA stands for the Consolidated Omnibus Budget Reconciliation Act, which gives workers and their families who lose their health benefits the right to choose to continue group health benefits. Per the U.S. Department of Labor, this would be for limited periods of time under certain circumstances, such as voluntary or involuntary job loss, a reduction in hours worked, transition between jobs, death, divorce, and other life events.

The complex nature of COBRA can consume HR resources, who generally like to focus on finding and keeping employees.

Companies must adhere to strict notification regulations, which include initial and election notices.

Notification mistakes can trigger ERISA penalties per qualified beneficiary and noncompliance can also mean excise taxes of \$100/day per qualified beneficiary. HR generally must handle continued premium remittance and track partial premium payments. Open enrollment can be time intensive as well.

This became overwhelming for Karmell. She recalled, "COBRA was always a struggle for me to administer internally. We do not have a ton of staff that elect COBRA, but the chore of keeping up-to-date on the paperwork was always a challenge."



Karmell Dawson
Human Resources
Director

Solution: Navia services simplify COBRA

A number of years ago, PACE's insurance broker suggested Navia as an outsourced solution for Flexible Spending Accounts. They also learned that as part of its extensive services Navia offers full-service COBRA administration, which includes:

- Carrier notifications for reinstatement/loss of coverage
- All COBRA letters (General notice, QE notice, rate change letter, etc.)
- Premium remittance to clients or carriers with premium payment reports
- Premium collection and tracking with partial premium payment rules
- Open enrollment services including carrier forms, rate tables, etc.

"We've been partnered with Navia long before it was Navia...it was Flex-Plan Services when we started the long-term strategic relationship", she notes.



Results: time-savings and compliance comfort



Time savings



More professional look



Navia admin reduces stress

Karmell extolls the benefits of Navia. "Using the COBRA site has given me quite a bit of time back when it comes to processing terminated employees. It also means that I do not have to deal with the terminated staff directly which can sometimes be challenging and awkward."

"Navia is doing everything. Navia collects payments and handles the open enrollment paperwork", she adds.

"It definitely saves me time but also gives me assurance that we are in compliance with the regulations," Karmell continues. Compliance with government regulations seems to be one of the key reasons companies outsource COBRA administration.

"In addition, I think using the COBRA service with Navia allows our organization to look more professional. The documents, payment books, etc. help with the ease of keeping up with employee COBRA payments. Terminations can be stressful enough for staff. The well laid out documents and information help to ease that stress."

Karmell has been pleased with Navia's customer service. "The Navia website to enter and track data makes it so much easier for me. The customer service I get when I call in or email is fantastic. They are helpful, quick to respond, and easy for our staff to deal with."

"Navia easily allows us to offer benefits to our staff. They also help with information, calculators, and other tools that help decide what is best for our staff."

In summary, one could say that the Navia team has engineered a solid, comprehensive benefits solution for PACE and its owner/employees.

What does the future hold? "I definitely keep an eye on the new services that Navia offers. We have talked a lot about student loan repayment benefits. It is a comfort to know that when we are ready, Navia can do it for us," Karmell says.

Peer-to-peer Advice



"One of the biggest lessons I've learned over my professional career is to not be afraid to use your resources. The cost usually ends up paying for itself. I was spending way too much time doing things that Navia could do faster, easier and cheaper."

- Karmell Dawson



Ready to boost your benefits experience?

Request a quote from Navia anytime and we will respond promptly with the help you need! **[Request a Quote here.](#)**

