



Navia Benefit Solutions, Inc.
Employer Handbook

VISIT US ON THE WEB

www.NaviaBenefits.com

CONTACT US(800) 669-3539
7am – 5pm (PT) Monday - Friday**EMAIL US**

EmployerServices@NaviaBenefits.com

ADDRESSPO Box 53250
Bellevue, WA 98015

Table of contents

Navia Web Portal	
Participant Portal Access	4
Managing company contacts and information	5
Terminating Access	5
Benefit Guides	
Flexible Spending Arrangements	
✓ Benefit Components & Plan Features	6
✓ Navia Benefits Debit Card	8
✓ Plan Funding Arrangements	9
✓ Eligibility & Contribution reporting	10
✓ Change in Status	13
✓ Leave of Absence	14
✓ Employee Terminations	15
✓ Reporting Package	16
✓ Year-End Account Reconciliation	17
✓ Nondiscrimination Testing	17
Commuter Benefits with GoNavia	
✓ How it works	20
✓ Payroll Deduction Reports	21
✓ Employer Subsidy Options	21
✓ Plan Funding	22
✓ Reporting Eligibility Changes	22
Health Savings Accounts	
✓ How it Works	24
✓ Participant Distributions from an HSA	24
✓ Reporting Eligible Employees	24
✓ Reporting Contributions	25
✓ Contributions Changes	26
✓ Employee Termination	26
✓ HSA Reports	27
✓ Plan Compatibility: HSA Eligibility & FSAs	27

✓ HSAs and Nondiscrimination Testing	28
Health Reimbursement Arrangements	
✓ What is an HRA?	29
✓ HRA plan design components	29
✓ Plan Contributions	30
✓ Plan Funding	30
✓ Plan Enrollment	30
✓ Midyear changes	31
✓ Reporting Package	32
✓ Nondiscrimination Testing	32
Participant Experience	34
COBRA	
What is COBRA	36
✓ Quick Definition & Reference Guide	36
✓ COBRA Timeline	37
Navia Benefits – COBRApoin t .Benaissance	38
✓ Basic Navigation	38
✓ Add a New Member	39
✓ Add a New QB	41
✓ Navigating a QB Profile	46
✓ Helpful Reports	48
✓ Remittances	50
Administrative Invoices	50
Administrative Documents & Plan Amendments	51
Navia Contact information	52

Navia Web Portal

Participant Portal Access

Plan participants have access to their online account through the participant portal where they can update their personal information, submit claims, view claims history, balances and access plan forms and documents.

How to register:

Participants will need the three-character employer code (i.e. ABC) assigned to their employer in order to register. Please contact Customer Service at (425) 452-3500, toll-free (800) 669-3539 or email customerservice@naviabenefits.com, to obtain a company code.

Step 1: Visit www.NaviaBenefits.com, and select the register link located in the top right corner of the page.

Step 2: On the following page, select **I'm a Participant**.

Step 3: Enter the required information, choose a unique username, accept the Terms & Conditions and submit.

Step 4: Shortly after registering you will receive an email with a link to complete the registration process. After clicking the link, you will be asked to provide a unique password to access your account for the moving forward. The password must be at least 8 characters long and contain at least 3 of the following types of characters:

- Uppercase letter
- Lowercase letter
- Numeric
- Special character

If participants are having trouble registering, they should reach out to our customer service team for help troubleshooting.

Employer Portal Access

Our website provides a wealth of valuable information at your fingertips. The website is easy to navigate, secure, and provides both you and your employees a fast and easy way to obtain the information you need.

Navia Benefit Solutions provides and supports customized online access for participants and employer contacts as a standard service. The website gives participants and employer HR and Payroll contacts the ability to manage their plans online. Employer portal capabilities include:

- ✓ Access participant data
- ✓ Add new participants
- ✓ Term participants
- ✓ Add LOA dated for participants
- ✓ Access forms and documents
- ✓ Generate custom reports
- ✓ Report and submit participant payroll contributions

If you are a plan participant and also an HR/Payroll contact you can create one single user name and password. Follow the prompts online, or contact the Employer Services team for assistance.

How to register:

Step 1: Visit www.NaviaBenefits.com, and select the register link located in the top right corner of the page.

Step 2: On the following page, select **I'm an Employer**.

Step 3: Enter the required information, choose a unique username*, accept the Terms & Conditions, and submit. (If you have previously registered as a participant and would like to use the same login credentials for your employer access you can elect to link your accounts.) You will need your three-character employer code (i.e. ABC) in order to register. If you do not know your employer code, please contact Employer Services at (425) 452-3488 or email employerservices@naviabenefits.com.

Step 4: Setup security questions for your account. We will use these to help verify your identity if you need to reset your account in the future.

Step 5: Shortly after registering you will receive an email with a link to complete the registration process. After clicking the link, you will be asked to provide a unique password to access your account for the moving forward. The password must be at least 8 characters long and contain at least 3 of the following types of characters:

- Uppercase letter
- Lowercase letter
- Numeric
- Special character

Managing Company Contact and Information

Through the **Account Setup** section of the portal, employer contacts with **administrative** permissions can update company contact information as well as the name and tax ID number through the employer portal as necessary. Changes to the company name and tax ID number may require updates to your plan documents. Our compliance team will reach out to you with revised versions of your documents if necessary.

Administrator contacts are also able to add, remove, and edit the authorized contacts for your plan and the employer portal. When adding new contacts, we will need to know what role the person plays at your organization so that you can give them the appropriate level of access to the employer portal. Not all role types have website page access assigned to them by default as some of the roles are specific to tasks, and not necessarily website functions. These may be edited as needed. If a contact should have department-specific access, you may restrict access by selecting the departments the contact should be assigned to. If you don't see departments listed, but would like to restrict access for a contact, please contact Navia for assistance.

Terminating Access

In the event the contract is terminated with Navia, access to the website shall be terminated 60 days after the company is set to terminate in our systems. For COBRA only benefits, the company will be set to terminate the 20th of the month after the plan year ends. For account-based benefits, the company is set to terminate 60 days after any applicable claims run-out has expired. Therefore, if the contract is terminated as of December 31st with a 90 day claims run-out ending on March 31th, then the forfeitures shall be calculated within 60 days of the last day of the claims run-out to allow for any appeals, close out accounting, and provide final reports—once the forfeiture check is sent the company is set to terminate in our systems and employers have 60 days to review any necessary reports.

Participants will continue to have access to their accounts on the participant portal for 3 years after the contract is terminated with Navia or their last active plan year, whichever is sooner.

NAVIA BENEFIT GUIDES

Flexible Spending Arrangements

Benefit Components:

Premium Conversion Plan

Also called a Premium Only Plan (POP), Premium Conversion Plans are the most basic tax-advantaged benefit plan an employer can offer. Premium Conversion allows employees to pay their portion of accident and health insurance premiums with pre-tax dollars. A Premium Conversion Plan is simply a written plan document and summary document outlining the rules that need to be followed to have pre-tax deductions and listing the premiums deducted pre-tax; without a plan document, premiums cannot be deducted pre-tax. Navia Benefit Solutions includes this with all Sec 125 Flexible Benefit Plans (i.e., Health and Day Care FSAs).

Health Care FSA

What does the Health Care FSA do? The Health Care FSA reimburses participants for eligible out-of-pocket medical expenses incurred by themselves or their tax dependents. Some common eligible expenses include prescriptions, office visit copays, over the counter (OTC) items, glasses, contacts, dental work, orthodontia, and expenses applied to plan deductibles. Expenses that improve general well-being, are cosmetic in nature, or are not medically necessary are not eligible for reimbursement by a Health Care FSA. A list of eligible expenses is available on our [website](#).

Is there a limit to how much employees may elect? The plan sponsor may select the plan limit up to the IRS maximum for the benefit. The maximum is indexed by the IRS each year. The IRS contribution limit only limits employee contributions, therefore employers could “seed” or “fund” the FSA an amount in addition to the employee contribution. There are limits to the employer funded amount, please contact Navia for questions surrounding plan design for an employer seed.

How is the Health Care FSA funded? The Health Care FSA is pre-funded. This rule is also referred to as the uniform coverage rule and provides participants with full access to their annual election amount at any time during the plan year, regardless of how much they have contributed. This rule creates a potential liability for the employer in the event a participant uses their funds early in the year and then terminates employment before year end. This risk is characteristic of Health Care FSAs, employers may not reduce their risk-of-loss by requesting repayment, just as employees are subject to the Use-or-Lose rule and cannot request repayment of unused FSA election amounts.

Can participants change their elections at any time? Participant elections are irrevocable. Participants must make their election before the start of the plan year. Once the election is made the election cannot be changed unless the participant (or spouse and dependent) experiences a qualifying change in status. Some status changes include marriage, divorce, or birth of a child. For more information see the [Change in Status](#) section within this document.

What is the Use-or-Lose Rule? The Use-or-Lose Rule refers to the fact that unused participant funds are forfeited after the Claim Run out Period. The Claim Run out Period is the time frame after the plan year ends that allows participants to submit claims incurred during the plan year and/or Grace Period. The duration of the Claim Run out Period is determined by the employer and is in your Plan Document.

Limited Health Care FSA

What is a limited purpose Health Care FSA? The limited purpose health care FSA follows the same rules, and functions virtually the same way as the full purpose health care FSA; the difference being what expenses are eligible for reimbursement. Through the limited purpose health care FSA, participants may be reimbursed for expenses related to dental, vision, orthodontia, and preventive care.

Who would enroll in a limited purpose Health Care FSA? Limited purpose FSAs are used by participants who are also contributing funds to a health savings account (HSA). Participation in a health savings account is incompatible with enrollment in a full purpose Health Care FSA, however, this benefit makes an FSA available to HSA users as an additional mode of tax savings.

Why offer a limited purpose Health Care FSA? The limited purpose benefit is a great supplement to an HSA – allowing the participant to set aside funds in an HSA for long-term planning, while still using a plan-year based FSA for their predictable dental, vision, orthodontia, and preventive care expenses.

Day Care FSA

Day Care is one of the single largest expenses for a family with children. A Day Care FSA can be used to pay for qualified day care expenses with pre-tax dollars.

What are some things employees should consider when enrolling in a Day Care FSA?

1. The day care expense must enable the employee and spouse to work, actively look for work, or be a full-time student.
2. The dependent must live with the employee and must be 12 years old or younger. Expenses for a dependent age 13 or older are eligible if the dependent cannot physically or mentally care for him/herself, with a Letter of Medical Necessity. (You can find the letter of medical necessity under the 'Forms & Documents' section of the Employer Portal.)
3. The day care provider cannot be a dependent on the employee's tax return or his or her child under the age of 19. The day care provider must be qualified to work in the United States (must have a Social Security Number or tax ID) but doesn't have to be a licensed provider or establishment.
4. A Day Care FSA works like a bank account—claim reimbursements cannot exceed the contributed balance.

What types of expenses are not eligible? Some expenses are not eligible under the Day Care FSA. These include tuition for school at the kindergarten level or above, overnight camp, nursing home expenses, meals, or activity/supply fees and transportation costs. Montessori tuition is also not allowable, however charges from a Montessori school for preschool, and before and after school care, are allowable. The Day Care FSA limit is set by the IRS and is a calendar year limit of \$5,000 per household. If you are married filing separately then each parent may elect \$2,500. If the plan year is not on a calendar year, participants should take extra care in calculating their annual election.

Plan Features:

Carryover

Up to \$500 of unused Health Care FSA dollars may be carried over to a subsequent plan year. An employer can choose a lesser amount than \$500 but cannot implement a carryover amount of more than the IRS allowed

maximum of \$500. Funds eligible for carryover from a previous plan year will be available to the participant after the end of the Claim Run out Period. This option can be added to the plan in lieu of the Grace Period, but not paired with the Grace Period. The carryover amount does not affect a participant's ability to elect the maximum annual election allowed by the employer for the Health Care FSA. For example, if a participant elected \$2650 for the upcoming plan year and had \$500 of unused funds remaining from the previous plan year, the carryover balance would be added to the current election making the total annual election \$3100. Participants do not have to re-enroll in the new plan year to have unused Health Care FSA dollars carryover to a new plan year, unless otherwise stated by employer.

Grace Period

IRS guidance provides that a cafeteria plan may allow participants to incur expenses after the end of a plan year and have those expenses reimbursed from the previous plan year's Health or Day Care FSA balance. The Grace Period was designed to ease the burden of the Use-Or-Lose Rule that requires unused funds at the end of the Claim Run out Period to be forfeited to the plan. The Grace Period is typically 2 ½ months following the end of the plan year. An employer can design a shorter Grace Period but cannot implement a Grace Period longer than 2 ½ months. If the plan has a Grace Period, it must apply to all participants uniformly. If a participant is covered on the last day of the plan year, they are eligible to incur expenses through the end of the Grace Period. The Grace Period is different from the Claim Run out Period (recall that the Claim Run out Period is the period of time at the end of the plan year that participants can submit claims for expenses incurred within the plan year or Grace Period). Typically, the Claim Run out Period and Grace Period run concurrently, with the Claim Run out Period extending beyond the end of the Grace Period (usually 2 additional weeks). This allows participants time to submit expenses incurred during the Grace Period.

Navia Benefits Debit Card

The Navia Benefits Card is a great tool to include with your Flexible Spending Arrangement. Participants are provided this card during their initial election process and may use it to access their full or limited purpose Health Care FSA. Beyond the initial issuance of the card, your participants' annual election for subsequent plan years will be re-loaded to their existing Navia Benefits Card; they will not receive a new card until the current card expires. Below is an overview of the Navia Benefits Card and its uses:

- ✓ Expenses are debited directly from the participant's Flexible Spending Arrangement and paid to the provider. When using the Navia Benefits Card, participants will no longer have to pay for items out of pocket and wait for reimbursement.
- ✓ We can automatically clear co-pay amounts and expenses from merchants that have implemented the Inventory Information Approval System (IIAS). IIAS is a system that automatically adjudicates items at the time of purchase. Participants will not be able to use their Navia Benefits Card to purchase items at IIAS merchants if the expense is not deemed eligible for reimbursement through an FSA. **We ALWAYS recommend that participant's keep their receipts.** A list of stores that have implemented the IIAS system can be found [here](#).
- ✓ Some card swipes will need to be retroactively adjudicated by Navia. For these items, we reach out to the participant and request the appropriate documentation.
- ✓ Participants can only use their Navia Benefits Card at stores that have implemented the IIAS system, pharmacies, and Health Care Providers.
- ✓ If a participant does not substantiate his charges within 75 days from the date of swipe the card will be temporarily deactivated until documentation can be submitted. If the participant does not have documentation, or the swipe is determined to be ineligible, they may offset their charges with alternative claims or pay back the plan via check, bill pay, or PayPal through the Participant Portal. If these options are

unsuccessful, you may deduct the unsubstantiated expenses from the participant's salary consistent with state law.

Single-Card solution

If you utilize Navia for other benefit offerings that are tied to the debit card, participants can use a **single** card to access their suite of benefits.

Don't already offer the card, but would like to include this feature in your plan? The set-up process is simple and can be completed at any point during your plan year. Reach out to the Navia Employer Services team for more information!

Plan Funding Arrangements

Navia Benefit Solutions offers three different funding arrangements to track payroll contributions and claim reimbursements. Plan funding options include Contribution, Disbursement or Payroll Add Back. Each arrangement represents a different accounting principle and administrative workflow, but they all result in an easily audited and accurately administered plan.

Contribution

The Contribution style arrangement requires the employer to transfer funds equal to the amount of employee payroll deductions each pay date. This amount will be communicated and verified through the Eligibility and Payroll Reporting process described in the Eligibility & Contribution reporting section of this document. Payment to Navia of the total contribution amounts reported each pay date can be funded a few different ways. Navia can initiate an ACH debit for the contribution total the following business day, or the employer may initiate an ACH or check payment. Funding is due within 10 business days of when the contributions are reported. A final accounting and reconciliation are performed at the end of the claim run out period and ERISA appeal period. Plan forfeitures/liabilities will be transferred to the client at that time along with a detailed report.

Disbursement

The Disbursement style arrangement requires a funds transfer equal to the amount of employee claim reimbursements. In this arrangement the employer will hold on to the employee payroll deductions and Navia will simply ACH debit the employer's bank account for claim reimbursements. A notification for the availability of a Disbursement Report listing employees and reimbursement amounts will be sent via email each reimbursement processing date. Navia will initiate an ACH debit to the employer's bank account that will occur within 2 business days of the reimbursement processing date. The disbursement style arrangement is also known as a Zero Balance Account (ZBA). A year-end plan forfeiture report will be provided after the claim run out period and ERISA appeal period and any discrepancies in accounting will be reported and refunded or requested at that time.

Payroll Add Back

The Payroll Add Back arrangement is an uncommon funding mechanism that gives the client control of the reconciliation and reimbursement processes. These arrangements work like a Disbursement style of accounting, but without the transfer of funds to maintain the zero-balance aspect of the plan. In a Payroll Add Back arrangement, Navia will process claim reimbursements on a scheduled date set by the client. A Disbursement Report showing the expected FSA payouts is created for each scheduled reimbursement date and notification is sent to the employer. The employer can then include these amounts as after-tax reimbursements to the upcoming payroll. **The Navia Benefits Card cannot be utilized alongside this funding option.**

Eligibility & Contribution Reporting

Accurate and timely eligibility and payroll reporting will ensure smooth plan administration for you and your employees. This information can be reported using one of two methods 1) the Eligibility and Deduction Report (EDR), or 2) an Import File. To ensure that claim reimbursements are uninterrupted, eligibility and payroll reporting needs to be received by Navia Benefit Solutions at least two business days prior to the pay date. If the report is returned after the deadline, Navia will do a special reimbursement processing within three business days of receiving the file to capture any pending reimbursements.

Contribution Reporting, option 1 – Eligibility & Deduction Report (EDR)

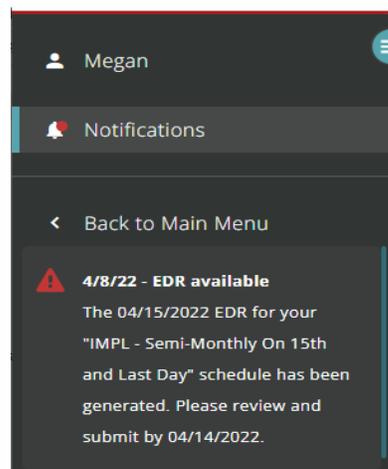
The **Eligibility and Deductions** sections under the Data Management menu of our employer portal will be your control panel for managing employee contributions to the plan. Through these sections you can access historical contribution data for past pay dates and report contributions for future pay dates. To assist with contribution reporting, Navia generates a report for each of your pay cycles which includes all plan participants and their corresponding payroll deduction amounts for the pay date. This report is known as the Eligibility and Deductions Report (EDR). These reports will be available online through our secure website. It is the employer's responsibility to audit this report against payroll, make any necessary deduction changes, additions or terminations, and submit the EDR by the due date.

At the top of the Pending Eligibility and Deductions page you'll find pending EDRs. Pending EDRs are created for upcoming pay dates and need to be reconciled by the employer in order for contributions to appear in participant benefits. You will receive an email notification when an EDR is available online. These reports are made available 7 days prior to the pay date and should be submitted to Navia the day prior to the pay date in order to guarantee that funds are visible by participants on the scheduled pay date.

How to access the EDR:

From the employer home page – An alert will be created for each scheduled pay date. Click the alert to be directed to the report.

Or, navigate to Data Management > Pending Elections and Deductions in the left-hand menu.



Submitting your EDR:

Step 1: Click the schedule name from the list of pending EDRs to view the expected deductions and participant breakdown for the selected pay date.

Pending EDRs			
Please review and submit the below EDRs by the due date indicated to ensure that contributions are posted to employee benefits and claims are paid promptly.			
EDR Title ▾	Due Date ▾	Status ▾	Excel Document
Sec. 125 - IMPL - Semi-Monthly On 15th and Last Day - Schedule Date 04/15/2022	04/14/2022	⚠ Action Required	Download
Sec. 125 - IMPL - Bi Weekly On Friday - Schedule Date 04/08/2022	04/07/2022	⚠ Action Required	Download

Step 2: Make eligibility updates. Through this report you can indicate changes to employee deduction and election amounts, add new employees, and terminate existing benefits.

Step 3: Reconcile your actual payroll deductions with the projected contributions listed on the EDR for participants. Changes to deduction amounts can be made for this report only, or by checking the 'permanent change' box you can update the deduction amount for all future pay periods in the plan year. You'll find a breakdown of the contribution totals by benefit at the top of the page that will be recalculated as you reconcile your report.

Sec. 125 - 202201 - 01/01/2022 - 12/31/2022		Regenerate	Add Participant
EDR Summary			
EDR Summary			
Reference Number	852582		
Due on	04/14/2022		
EDR Total	\$115.00		
EDR Total		Health Care	Total
Original	\$115.00		\$115.00
Difference	\$0.00		\$0.00
Revised	\$115.00		\$115.00

Step 4: Save Changes – Save changes made to the EDR by selecting 'Save' on the right side of each row you update. It's important to save changes throughout reconciliation in order for the total contribution amounts to be updated accordingly.

New Deduction ▾	Difference ▾	Change Type ▾	Permanent Change
\$ 135.00	\$20.00		<input type="checkbox"/>
			Save

Step 5: Once you have made all changes, check the box at the bottom of the page indicating that you agree to the EDR terms and conditions, and then click Submit. You will receive a confirmation email once your EDR has been submitted. This email will include the EDR pay date, total payroll contributions that were reported to Navia, as well as any notes you left prior to submission. Notes left for Navia will be responded to within 24 business hours.

Reconciliation tips:



- **Regenerate the EDR** – The EDR is created prior to your pay date as a snapshot of the expected contributions. To capture any changes that may have been recorded (new elections, deduction changes, terminations) since your EDR was created, click **Regenerate** to grab a new snapshot of the expected contributions.

New Deduction ▾	Difference ▾	Change Type ▾	Permanent Change
\$ 135	\$20.00	Updated	<input checked="" type="checkbox"/>

- **Manually updating deduction amounts** - If the actual FSA deduction amount is different than the amount Navia has listed, enter the actual payroll deduction amount in the **'New Deduction'** box. If the new deduction amount should be attributed to the account for future pay dates, select the **'Permanent Changes'** box.

Add a Participant – The **'Add Participant'** button available at the top of the EDR will capture current plan year participants that were not included on the EDR for a variety of reasons. Most commonly participants on this list are not automatically included on the EDR because they are newly eligible, they have already met or exceeded their annual election in plan contributions, or they have an eligibility status that indicates they are currently on an LOA or may have been previously terminated from the plan. Click the box next to any participant on this list and hit 'add' to include them on the current EDR. If you don't see the participant you're looking for on this list, it is most likely because we don't have a current plan year election for them in the system. New plan year elections may also be adding by clicking 'Add New Participant' from this window.

Terminated employee – You can terminate a participant's benefit through the EDR by clicking on their name to see additional detail. Enter the termination date and termination type and click Save. Remember to zero out the participant's deduction amount if needed. You can also exit the EDR and access the participant's account under the Participants menu to terminate all benefits.

Name (1 Total) ▾	Benefit ▾	Deduction ▾	New Deduction ▾	Difference ▾
Sanchez, Jennifer	Health Care FSA	\$135.00	\$ 0.00	-\$135.00
Annual Election			\$ 2850.00	
Termination Date			04/01/2022	
Termination Type			Cease Particip... ▾	

Download Report – If you need an itemized list of contributions reported for your records, you can download the EDR from the **Pending Elections and Deductions** page. This will generate an Excel file listing reported contributions for this pay date.

Contribution Reporting, Option 2 - Import File

This option enables the employer to export data from their payroll system and send a file to Navia for processing. This option is more suitable for clients with larger employee populations who have robust payroll systems. We are able to accept file feeds for contribution reporting directly from the client, or an authorized third-party vendor.

Contribution files must be received 2 business days before the scheduled pay date to ensure the file is imported and payroll deduction amounts are credited to participants Health & Day Care FSAs.

If you are interested in establishing a file feed to report your payroll contributions to Navia please reach out to us at Imports@naviabenefits.com. Upon request, we will supply detailed file specifications specific to your plan and assist with the file implementation process.

Change in Status

Once an employee has made an election for the plan year, the election is irrevocable unless the employee experiences a qualifying event. This rule is called the irrevocability rule and it applies to premiums for accident and health insurance and the Health and Day Care FSA.

The regulations permit a participant to revoke an existing election and to make a new election for the remaining portion of the year due to certain qualifying events. To determine whether an election change is permitted you must determine 1) whether a qualifying event has occurred; and 2) whether the requested election change is consistent with the event. Below is a list of events; these events must trigger the employee, the employee's spouse, or the employee's dependents eligibility for an accident or health plan, or the Health or Day Care FSA.

1. **Cost Changes:** If the cost of an accident or health plan provided by a third-party provider increases or decreases; the plan may automatically increase or decrease the participant's per paycheck deduction to cover the cost change. If the cost of providing Day Care changes outside of the participant's control the participant may make a new election for the Day Care FSA. Cost changes do not apply to Health Care FSAs.
2. **Coverage Changes:** If the coverage under an accident or health plan is curtailed or ceases, the participants may revoke their elections and receive coverage under another health plan. This rule does not apply to the Health Care FSA. A change in provider or in hours of day care needed may allow for a Day Care FSA election change.
3. **Changes in Status (Subject to Consistency Rules as defined below):** A participant may revoke a benefit election and make a new election for the remaining portion of the plan year if they or their spouse or dependent experiences a change in status. Not all of these events apply to all benefits (accident and health premiums and Health and Day Care FSA benefits).
 - a) Marriage, divorce, legal separation, or annulment.
 - b) Change in number of dependents, including birth, adoption, placement for adoption, or death of a dependent (includes spouse).
 - c) Change in work schedule affecting eligibility, including an increase or decrease in the number of hours of employment by the employee, spouse or dependent, including a switch between full-time and part-time status, a strike or lockout, or commencement or return from an unpaid leave of absence.
 - d) The dependent satisfies or ceases to satisfy the requirements for unmarried dependents. An event that causes an employee's dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status or any similar circumstances as provided under the accident or health plan under which the employee receives coverage.

e) A change in the place of residence or work site of the employee, spouse, or dependent that affects eligibility.

Consistency Rules: The election changes must be consistent with event. For example, a participant cannot reduce their Health Care FSA election in the event they have a child. Logically the employee would have more health care expenses, not less, and therefore reducing an election would not be consistent with the event. It is the employer's responsibility to determine whether a change has occurred and whether the requested election change is consistent with the event. Work with your participants to determine whether the event permits an election change and submit a **change in status form**, available on the employer portal, to Navia. Elections cannot be effective before the event occurs and the effective date should be the date the change form is signed and returned to the employer.

Separation from Service: If an employee terminates employment and participation in the Health Care FSA and is rehired during the same plan year you may; 1) permit them to make a new election upon satisfying eligibility requirements, or 2) require they reinstate their previous Health Care FSA benefit, or 3) prohibit entry into the plan until the new plan year starts. Whatever rule you decide it will need to be applied uniformly to all participants and you will need to amend your plan documents accordingly.

The timing of election changes can be very important. Remember the election change is effective once the change form is signed and returned to the employer. Also, once an event has occurred the employee has a limited time to request a change to their election that can be associated with that event. The IRS does not prescribe a timeframe, but we recommend 30 to 45 days as a maximum. Therefore, requests to make changes more than 30 to 45 days after the event occurred would be denied. You will need to make an internal rule and apply that rule uniformly.

Leave of Absence

It is important to discuss Leave of Absence (LOA) options with the employee before they go on leave. The Family Medical Leave Act (FMLA) provides the rules regarding LOA options. First you will need to determine whether the employee wants to continue coverage during leave. If so, expenses incurred during leave are eligible. Then determine how they will fund the benefit. There are three funding options: 1) accelerate contributions out of the last paycheck before leave begins; 2) pay-as-they-go by sending contributions to the employer each pay period (similar to COBRA); and 3) catch-up payments upon return. The employer would not record an LOA date with Navia and expenses incurred during leave would be eligible.

If the employee revokes FSA coverage, expenses incurred during the LOA are not eligible for reimbursement. Upon return from leave, the employee may resume their original per paycheck deduction (thereby decreasing their annual election by the amount of the missed contributions) or they may increase their per paycheck deduction to meet their annual election. Remember that they revoked coverage during leave, so any expenses incurred during leave are not eligible. You must record an LOA start and end date with Navia to ensure ineligible expenses are not reimbursed.

If the leave is not associated with FMLA the employer may choose to borrow these rules and apply them uniformly. Finally, employers may differ in their application of these rules. Check your Plan Document or employee handbook.

Employee Terminations

When an employee terminates, there are a few different ways that their benefits may be handled after termination, depending on the type of benefit the employee participates in, and the status of that benefit. Participation in the Day Care FSA will cease upon termination and no further contributions may be made to this benefit. Participation in the Health Care FSA may continue, but an employer is only required to allow continuation of the benefit if the FSA benefit is under spent at the time of termination. A benefit is under spent when the employee has claimed less than they have contributed. **Most** employers will offer continuation to all terminated employees to reduce the administrative work in determining which employees have under spent Health Care FSAs. **However**, those employers that want to reduce their risk of loss may want to only offer continuation coverage to those with under spent Health Care FSAs.

The options for continuation and claim submission beyond the termination date are outlined here:

- 1) Participation in the Day Care FSA ceases upon termination of employment but participants may submit eligible expenses incurred after their termination date until the end of the plan year or grace period, if applicable, to draw down their day care balance. For example, if Joe terminates employment in June, and has contributed \$3,000 but only been reimbursed \$1,500, he may be reimbursed the remaining \$1,500 if he has qualifying expenses later in the year.
- 2) For the Health Care FSA, the employee may choose to continue or cease participation. If a participant chooses to cease participation, a term date will be entered, and no further contributions would be accepted.
- 3) If a participant chooses to continue their Health Care FSA they can do so two ways:
 - a) Accelerating contributions out of their last paycheck. If the employee chooses to accelerate, but the acceleration amount does not cover the total contributions through the end of the plan year, you can record a future termination date with Navia that is pro-rated based on the amount the employee was able to have deducted from their final paycheck.
 - b) Making after tax payments equal to their per paycheck deductions directly to the employer. If the participant chooses to pay each contribution on an after tax basis (like COBRA) they would send the check to you and you would continue to report the contributions to Navia. If the participant fails to make a contribution you will need to record a termination date with Navia as soon as possible.

These options are also outlined in the **termination letter**, available on the employer portal. This letter is a valuable tool to share with terminating employees in order to discuss their options.

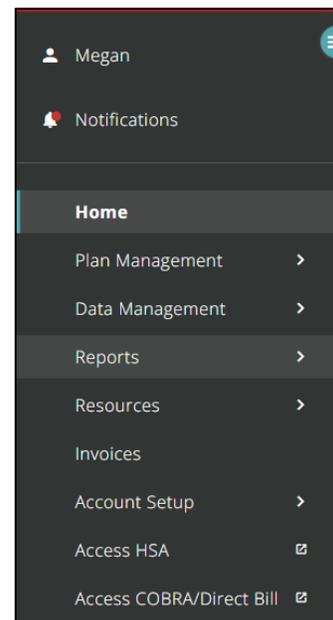
Participants will continue to have access to their accounts on the participant portal for 3 years after the contract is terminated with Navia.

Reporting Package

Communication between you and Navia Benefit Solutions is essential to running a well-administered plan. Navia's standard reporting package consists of Disbursement Reports, Year to Date (YTD) reports, Employee Statements, Contribution Details Reports, and Carryover Reports (if applicable). The Disbursement Report and Year to Date (YTD) reports are made available to you each scheduled reimbursement date through the employer portal.

Disbursement Report

The disbursement report lists reimbursement activity associated with the specified processing cycle. The report is broken down into two or three tabs depending on your plan design. The first tab shows manual reimbursements that were issued to participants via check or ACH deposit. If no manual reimbursements were issued for the processing cycle the 'Manual Claim Disbursements' tab of your worksheet will show a balance of \$0.00 for that cycle. Tab two of the worksheet will contain any debit card activity for that cycle. If your plan does not include the debit card, this tab will be omitted. Tab three of the worksheet will show any plan adjustments that have taken place during the last cycle.



IMPORTANT: Employers using the disbursement style funding arrangement must ensure payment equal to the amount of manual claim reimbursements and/or debit card swipe activity listed on the Disbursement Report. Payment will be due within 2 business days of when the Disbursement Report is generated.

Year to Date (YTD) Report

The YTD report is a summarized listing of all the participant balances as well as the plan balance. This report provides an accurate reflection of the plan total every time a reimbursement is issued by Navia. You will receive a year to date report each time reimbursements are issued from your plan. You also have the ability to pull a custom report at any time through the employer portal.

Contribution Details Report

This report can be used as a helpful tool when reconciling accounts. The Contribution Report will provide a detailed list of employee contributions reported to Navia per payroll date.

Employee Statement

The Employee Statement will provide contribution, disbursement, generic claim details, and adjustment details for a particular employee. Simply enter the last name or SSN/Emp ID for the employee, select the plan year, and hit 'Generate'.

Carryover Report

The Employee Statement will provide election, contribution, claims, disbursement, and carryover amounts for a particular plan. Simply select the plan from the drop down menu, select the plan year, and hit 'Download'.

Year-End Account Reconciliation

Navia Benefit Solutions reconciles each plan upon completion of the Claim Run-Out and ERISA appeal periods. During this time contributions and total claim reimbursements are balanced and any unused funds are returned to the employer as “experience gains.” If your plan is subject to ERISA, ERISA requires that all experience gains are used for the exclusive benefit of participants and beneficiaries — funds cannot be used for any other purpose.

Additionally, the IRS also prescribes how these experience gains may be used. Funds may be retained by the employer, if they are not retained by the employer, they may be used in one or more of the following ways:

- The funds must first be used to defray administrative costs of the plan. Administrative costs would mean costs associated with a third-party administrator or other associated costs. We do not recommend allocating funds to the employer or employees of the employer for their internal administration of the plan.
- The funds may be used to reduce salary reduction amount for the immediately following plan year on a reasonable and uniform basis. This is referred to as a “premium holiday.” For example, if participants typically had \$100 deducted each paycheck; the premium holiday would allow them to have a lesser amount deducted for one or more paychecks (depending on the amount of the experience gain).
- The funds may also be returned to the employees on a reasonable and uniform basis. In this instance the employer would return a uniform amount to employees who were participants during the year the gain was created. The funds would need to be returned as taxable income.

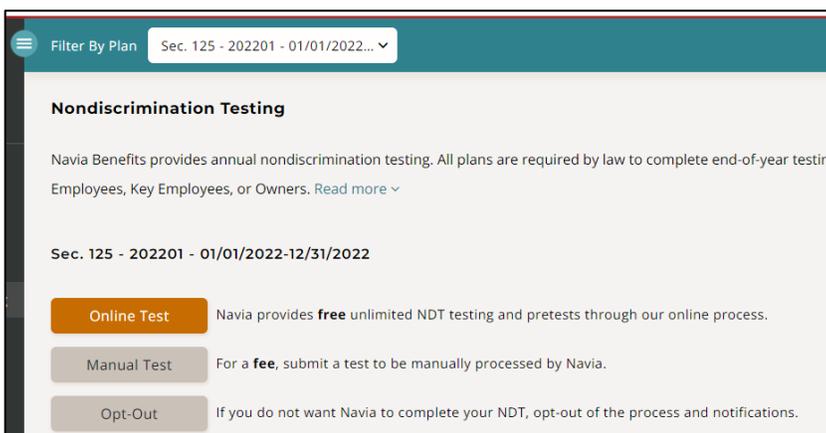
Remember if you chose to allocate funds to participants, it must be uniform and reasonable, and any allocation cannot directly or indirectly relate to their individual claim experience.

Nondiscrimination Testing

Navia Benefit Solutions provides nondiscrimination testing for your plan as part of our administration package. Most plans are required to complete end of the year testing to determine whether a plan discriminates in favor of Highly Compensated Employees or Key Employees (see definitions below).

The annual test is conducted at the end of each plan year. Navia will email a Request for Information (RFI) prior to the plan year end. It is your responsibility to return the RFI and necessary data to ensure your plan’s nondiscrimination test is completed.

Navia also provides nondiscrimination pretesting at the beginning or middle of the year for plans that anticipate problems passing the tests. A pretest will enable employers to make mid-year adjustments to benefits in order to pass final testing at the end of the year.



Navia offers a Nondiscrimination Testing tool under the “Plan Management” section of the left-hand menu. We recommend completing plan end tests in the last 60 days of your plan

year in order to allow time for adjustments if needed.

Essential Terms:

Highly Compensated Employee (HCE)

- An officer; **or**
- An owner owning more than 5% of the employer, voting power, or value of all classes of stock; **or**
- An employee who earned in excess of \$125,000 in the prior plan year.
- A spouse or dependent of an individual described above that works for the same employer.

Key Employee (KEY)

- An officer who earned in excess of \$180,000 in the prior plan year; **or**
- A more than a 5% owner; **or**
- A more than a 1% owner receiving compensation in excess of \$150,000 in the prior plan year.
- Note: Government Entities do not have Key Employees.



NONDISCRIMINATION TEST RED FLAGS



If your plan contains any of the following situations or plan designs, please contact Navia to have your plan reviewed and tested.

- **Ineligible individuals participating:** More than 2% owners of an S-Corp (and their spouse, children, grandchildren, and parents), partners in a partnership, or members of an LLC are not eligible to participate in a Section 125 plan—this includes the premium only plan as well as the Health or Day Care Flexible Spending.
- Zero non-HCEs eligible for Premium Conversion Plan or the Health & Day Care FSA;
- The plan excludes a high percentage of employees (part-time, seasonal, hourly employees) or non-HCEs;
- Not all employees receive the same employer contributions;
- KEYS or HCEs receive more employer contributions toward their group medical premium or the FSA than other employees;
- Disparate waiting periods or disparate eligibility requirements (e.g. hourly receive benefits after 90 days, salary after 30);
- Different benefits provided to employees;
- Only 5% Owners participating in the Day Care FSA;
- A high percentage (>25%) of KEYS contributing to the Flexible Spending Arrangement;
- Only HCEs participating in the Day Care FSA; or
- Only one participant in the Day Care FSA and that participant is an HCE.

Plans frequently fail the Day Care Test. The plan cannot have only HCEs participating in this portion of the plan or it will fail.

For more information about nondiscrimination testing or to request a pre-test please contact Navia at NDT@NaviaBenefits.com.

Commuter Benefits with GoNavia

How it works

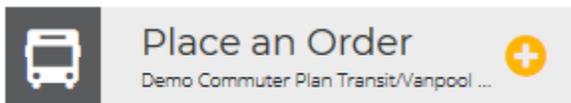
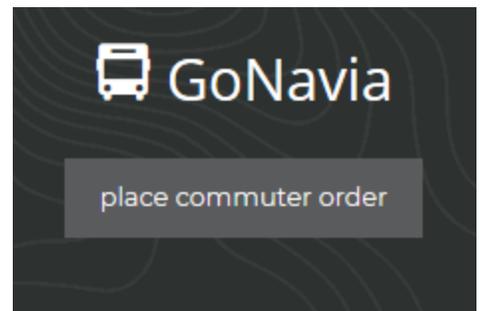
The GoNavia Program allows plan participants to pay for work related transportation costs through the transit, parking or bicycle benefits using pre-tax dollars. Participants place orders through our online ordering platform and may have their order loaded to their Navia Benefits card or sent to them via check/direct deposit depending on the benefit they are ordering for and your specific plan design. If participants already have a Navia Benefits Card their funds will be loaded onto their existing card as a separate purse to any other benefits they currently utilize with the card. New participants will receive a debit card once they complete their first order.

Orders must be placed by the 20th of the month for benefits to be available at the start of the following month. For example, for the benefit month of January, orders must be placed by December 20th. To place an order, participants will need to:

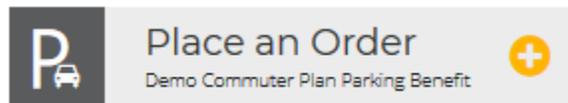
Step 1: Visit www.naviabenefits.com and click the login button in the top right-hand corner of the page.

Step 2: Once logged in, select the link on the home page of the participant portal for the 'Place Commuter Order'. This link will take them to the GoNavia dashboard where they can view pending and past orders or place an order for an upcoming benefit month.

Step 3: To place an order, participants will select the desired benefit.



[Learn More](#)



[Learn More](#)

Step 4: From there, participants will select the benefit and dollar amount that they would like to place their order for.

Step 5: Before the order process is complete, participants may indicate whether or not the order they are placing should be a recurring order. Recurring orders will automatically be placed for the participant for the months that they select. For each upcoming order, they will receive an email confirmation on the 10th of the month reminding them of their order amount.

Step 6: Confirm that the order summary is correct, agree to the terms & conditions, and click 'Submit'.

New Order Summary						
Month	Amount	Recurring?	Order Type	Est. Subsidy	Est. Pre-Tax	Est. Post-Tax
January 2019	\$260.00	<input checked="" type="checkbox"/> Yes	Card	\$100.00	\$160.00	\$0.00
<small>Recurring Months: January, February, March</small>						

Participants will receive a confirmation email once their order has been submitted. They have the ability to edit their order as late as the 20th of the month for the upcoming benefit month.

Payroll Deduction Reports

Navia will send you a series of reports associated with each monthly order deadline. The first report, the **Initial Payroll Deduction Report**, will be made available to you online through the employer portal on the 21st of each month. This report contains a list of all orders placed for the upcoming benefit month. From the time you receive the initial payroll deduction report, you have two business days to review and report any eligibility discrepancies to Navia. If there are no changes, you don't need to take any action with this report.

Your **Final Payroll Deduction Report** for the order month will be made available two business days following the initial report. At the time that you receive the final payroll deduction report for the month Navia will also finalize the orders for participants by loading funds to participant debit cards or issuing a check/ACH for the order amount.

The Final Payroll Deduction report serves as your record of who placed orders for the upcoming month and therefore who payroll deductions should be withheld for that month. This report is designed to make taking payroll deductions simple and contains the following details:

- Total order amount for each participant.
- A breakdown of each order amount based on how much qualifies as:
 - Pre-tax through payroll
 - Post-tax through payroll
 - Or, if applicable, any amount applied to an employer subsidy provided to the participant.
- How the funds are being provided to the participant – debit card or check/ACH.
- Change column. Participants marked with an asterisk in this column made a change to their order since the previous month.

To view GoNavia Payroll Deduction Reports, navigate to the 'Reports' section of the employer portal; available in the main left-hand menu. Then select the GoNavia Payroll Deduction Report option. Locate the order month and download the report.

Employer Subsidy Options

Navia has a variety of options for making employer subsidies available to commuter benefit participants.

- **Whole dollar amount:** For example, participants receive up to \$50 per month from the employer to be applied to commuter benefits.
- **A percentage:** For example, participants receive an employer subsidy of 50% of their order.
- **A percentage up to a dollar amount:** For example, participants receive an employer subsidy of 50% of their order up to a maximum of \$100 per month.

In addition, subsidies can be made available on a plan level across parking and transit benefits, at a benefit level to be applied specifically to parking or transit, or on the individual participant level to accommodate employer funds provided to a specific department or employee population based on location.

If you're interested in setting up an employer subsidy or have questions about how to report subsidy information to us, please contact our employer services team at employerservices@naviabenefits.com for assistance!

Plan Funding

The final payroll deduction report, in addition to being a record of what to deduct through payroll, also serves as an invoice. Navia will initiate a direct debit from the employer's bank account for the total orders placed for the benefit month. The direct debit for plan funding will be initiated the same day that the final payroll deduction report is provided.

Reporting Eligibility Changes

Employers have two options for reporting new hires and changes in eligibility for GoNavia benefits:

Commuter Census File: These files may be used to report changes for multiple participants at a time and can incorporate demographic updates as well as reporting newly eligible participants and termination dates for existing participants. Files are processed within 2 business days of receipt; please allow this much time for changes to be reflected in the system. If you are interested in establishing a file feed to report your commuter eligibility updates to Navia please reach out to us at employerservices@naviabenefits.com. Upon request, we can supply detailed file specifications specific to your plan and assist you with the file implementation process.

Employer Portal: Employers may manage individual participant eligibility online through our employer portal. For existing participants, access the Participants menu under Plan Management in the left-hand menu and locate the participant's existing profile. From here, you can update address information as well as manage the participant's eligibility and report termination dates.

To add new hires that haven't utilized a benefit through Navia in the past, select 'Add Participant.' The system will prompt you to provide employee demographic information. Once the demographic information has been supplied you can indicate which benefits the participant is eligible for.

Keep in mind that, whichever method of reporting is utilized, in order to prevent orders for a future benefit month a termination date must be recorded no later than the 20th of the month.

Leave of Absence

As Commuter benefits offered through the GoNavia program are used to pay for expenses associated with the work-related cost of transportation, participants should not have access to utilize the benefit during a leave of absence. Access can be restricted during a leave of absence by updating the employee's profile on the employer portal to reflect the start and end dates of their leave.

Termination

Termination dates may be reported to Navia either through a file, or online through the employer portal. Reporting a termination date will restrict access to the funds available on the debit card as of the date reported. Funds remaining on a debit card after termination are considered forfeited and are returned to the employer. Navia will return forfeited funds to the employer on the 25th of the month following the date of termination. For example, funds forfeited by an employee with a termination date of December 20th will be returned to the employer on January 25th.

Health Savings Accounts

How it works

First, you will need to let us know who is eligible to participate in the HSA. Eligible employees are covered by the employer-sponsored high deductible health plan (HDHP). You can provide eligible employee information to us one of two ways, either through the employer portal at www.naviabenefits.com, or via a file feed. (See the **Reporting Newly Eligible Employees** section for more details.) Whichever method you chose, reporting newly eligible employees will trigger an email to be sent out to your employees from Navia. This email provides them step-by-step instructions for establishing their HSA through the employee portal of our website.

From there, employees will need to go online and establish their HSA account. Through the enrollment process they will establish their bank account and also indicate the level of contributions that they would like to have redirected to their HSA through payroll.

Once an employee has successfully established their HSA they will receive an email containing a welcome kit from the bank. The welcome kit provides the employee with an overview of how the HSA works, how to use their funds, and information about online tools available to them.

An employee establishing their HSA will trigger a report from Navia to you notifying you of newly established HSAs and the amount of any contributions they have elected to put into their HSA so that you may begin payroll deductions. **Keep in mind that before you receive notification that an HSA was successfully opened for an employee that you will not be able to report contributions for that employee. Contributions may only be reported for employees that have an open HSA.**

Distributions from an HSA

Employees may access the funds they set aside in their HSA using a variety of methods:

- **Navia Benefits Card:** enrollees will automatically receive a debit card to use to access their funds when they establish their HSA. Employees that already have a Navia Benefits card for use with other benefits will simply have their HSA funds loaded as a separate purse to their existing card.
- **Bill pay to a provider:** the HSA can be used to directly reimburse providers. Employees simply provide information regarding the payee and a check will be issued to their provider.
- **Direct deposit to a personal bank account:** Enrollees may reimburse themselves for expenses that they paid for out of pocket. Distributions are issued directly to their personal bank account.
- **HSA checks:** Enrollees may request a book of checks to use with their HSA to pay providers directly from their account.

Documentation does not need to be submitted to Navia for distributions that are issued from a Health Savings Account. However, we do recommend that receipts are kept by the account holder for tax purposes.

Reporting Newly Eligible Employees

To provide newly eligible employees access to establish an HSA, you will need to provide the employee demographic information to Navia through either the employer portal or on a census file.

- **Employer Portal** - New employees can be entered into the system by selecting 'Add Participant.' For each new employee, enter their demographic information. After you have entered their demographics, select the 'HSA Eligible' box on their profile and you're done!

For employees that have previously used benefits with Navia that already have a profile in the system, simply click the 'HSA Eligible' box on their profile.

- **Census File** - For larger populations of employees, we can also accept a file containing demographic information for employees that are newly eligible to participant in the HSA benefit. If you are interested in establishing a file feed to report your payroll contributions to Navia please reach out to us at employerservices@naviabenefits.com. Upon request, we can supply detailed file specifications specific to your plan and assist you with the file implementation process.

When you report newly eligible employees to Navia we will send each employee an email containing useful information about the HSA and why they are beneficial, along with instructions on how to establish their accounts.

Reporting Contributions

The HSA portal can be accessed online through www.naviabenefits.com. Once you've logged in, navigate to the Access HSA link located in the left-hand menu to be directed to the HSA portal.

Through the HSA portal you are able to view HSA plan information, report contributions, access HSA reports, and view real-time individual participant enrollments and contributions.

Select the menu bar located in the top left corner of your screen and select contribution manager. From there, you have two options for reporting HSA contributions each pay period:

- **Create Contributions** – selecting this option will allow you to populate a list of expected contributions and edit the report before submitting. To submit contributions using this method –

Step 1: Select the HSA benefit plan from the plan drop down menu.

1. Select Payroll Date:

2. Select Method to Auto-Populate Contributions:

3. Select Accounts to Receive Contributions:

Step 2: Enter the payroll date, the method you would like to use to populate contributions, select 'Only Active Accounts,' and then click 'Display Contribution.'

Step 3: The system will populate a list of expected HSA contributions for the pay date you selected based on who has an active HSA. You may edit the employee and employer contributions as necessary so that the totals match your payroll. Once you are done, click 'Load Contributions.' This will push the contributions through so that the contribution amounts post to employee HSAs. You will see a confirmation notice at the top of the screen indicating that the contributions were processed successfully.

- **Contribution Import & Results** – selection this option will allow you to upload a file with all of your HSA contributions.

Step 1: Select the HSA benefit plan from the plan drop down menu and enter the payroll date.

Step 2: Click 'Create Payroll with Active Accounts Only' to generate a payroll file.

Step 3: Make any necessary edits and save the file to your computer as a .CSV file.

Step 4: In the 'Import Contributions' section, browse for your file to upload and select 'Process.' The 'View Results' section of the page will display each line item on the file. These contributions will be posted on the payroll date selected.

For both reporting methods, payroll dates in the future will post on the payroll date. If you are posting contributions for the current date, or a date in the past, contributions will post the following day. Your bank account will be debited for the total dollar amount that is posted to active HSAs for that pay date.

Contribution Changes

Once an HSA has been established participants cannot change their HSA contribution amounts through the portal. Changes to employee contributions to the HSA need to be reported to the employer. To update an employee's contribution level prior to a scheduled pay date you will need to:

- Locate the employee on the HSA portal using the Employee ID search.
- Under Accounts, click on the available HSA.
- From here, you can enter or edit contribution amounts made by both the employee and employer when applicable.
- Click 'Save.'

Employees that elect to stop contributing to the HSA or are no longer covered by the employer-sponsored HDHP can have their contribution amounts lowered to \$0.00. Lowering the contribution amount to \$0.00 and keeping the account status as active will leave the bank account open in the event they resume HDHP coverage and HSA contributions in the future.

Employee Termination

Employees enrolled in an HSA that leave employment will need to have their HSA terminated through the HSA employer portal. To terminate an HSA enrollee:

Step 1: After searching for the Employee ID search box at the top click on the Accounts tab.

Smith, John		DETAILS		DEPENDENTS		NOTES ▲	
EMPLOYEE ID 234567890	ADMINISTRATOR Flex-Plan Services, Inc.	EMPLOYER Scrapbooking Inc	EMPLOYER ID FPSSCP	STATUS Active			
STATUS New	ELIGIBILITY DATE 1/1/2014	TERMINATION DATE	USER ID	REIMBURSEMENT METHOD DirectDeposit			
Home		Demographics		Accounts		Statuses	

Step 2: You will click on that account type link for the plan you wish to terminate.

<input type="checkbox"/>	Type	Plan Date ▼	PlanId	Current Yr Dist	Current Balance	Holds	Acct Avail Balance	Portfolio Balance	EE Acct Status / HSA/VEBA Account Status
<input type="checkbox"/>	ABH	Start: 1/1/2014 End: 12/31/2099	HSA	N/A	N/A	N/A	N/A	N/A	New / Active
1 account found.									

Step 3: Enter a termination date in the provided field and hit the save button at the bottom of the screen. Please note, entering a termination date will close the account even if the termination date is in the future. If the employee will be having a final contribution, you should wait to apply the termination date until after that posting.

Edit account status, balance max , rollover status, election amounts here

Status:

Effective Date:

Termination Date:

HSA Reports

Reports specific to the HSA benefit are available to you through the HSA employer portal. From the menu bar located in the top left corner of your screen, select the 'Reports' menu, click 'Request,' and then select 'HSA Administration.' Under HSA Administration you will have four reports available to you –

Employee Deposit Log – shows all deposit activity to accounts.

HSA Future Contribution Report – allows employers to pull a report for all future dated pending and scheduled contribution deposits to employee accounts.

HSA Account Details Report – shows all plan enrollees and their current account statuses.

HSA Transaction Report – provides transaction level detail for debits/credits to the HSA.

For each of the reports available to you, make sure you select the 'ABH' and/or 'AB2' account type and 'Avidia Bank' as the product partner. Once you have run the report, your report will be created and available to you in the 'Results' section of the Report menu. Click 'View Reports' to download your requested report.

Plan Compatibility: HSA Eligibility & FSAs

What is an HSA? A Health Savings account (HSA) works with a High Deductible Health Plan (HDHP), and lets participants set aside a portion of their paycheck, before taxes. It also reimburses participants for eligible out-of-pocket medical expenses incurred by themselves or their tax-dependents, similar to the Health Care FSA. A list of eligible expenses is available on our website.

How does an HSA work with the FSA? Coverage under a general purpose Health Care FSA can negatively impact an employee's eligibility to make Health Savings Account contributions as it is considered disqualifying coverage. IRS rules state that individuals are ineligible to make Health Savings Account (HSA) contributions while they have disqualifying coverage. Disqualifying coverage includes plans that cover more than just dental, vision, or preventive care or offer coverage before the deductible is met. To avoid disqualifying their participants from HSA contributions, employers may offer a Limited FSA in conjunction with an HSA and the groups High Deductible Health Plan (HDHP).

How does the Grace Period affect the HSA? General Purpose FSAs with the Grace Period can cause a participant to be ineligible for HSA contributions. If an employee elects to enroll in the High Deductible Health Plan with an HSA, they will not be eligible for HSA contributions until they are no longer covered by the general purpose Health

Care FSA. Employees will be eligible to make or receive HSA contributions if they had a zero balance in their Health Care FSA at the end of the plan year, otherwise participants will have to wait until the first day of the month following when they are no longer covered by the Health Care FSA with Grace Period (i.e. April 1st for calendar year FSA plans). This rule does not apply to participants in a Limited Health Care FSA.

How does the Carryover affect the HSA? FSA benefits that include the carryover feature can run into some compatibility issues, but the rules are a bit more flexible for this feature than they are with the Grace Period. Funds carried over from the general purpose Health Care FSA into the subsequent plan year do make the participant ineligible to make or receive HSA contributions in the following plan year. However, carryover balances are permitted to roll into either the general or limited purpose Health Care FSA. If you offer a general purpose Health Care FSA with the carryover, we recommend that you also offer a limited purpose Health Care FSA for prior plan year funds to roll into if the employee elects to participate in the HSA to avoid any eligibility issues. Speak with a representative from the Employer Services team for assistance in adding the limited purpose Health FSA and/or ensuring that carryover funds roll into the correct account in subsequent plan years.

HSAs and Nondiscrimination Testing

Health Savings Accounts (HSAs) are generally not tested as stand-alone benefits. If the employer allows employees to make pre-tax contributions toward their HSAs (through the cafeteria plan) then the HSA is tested when the cafeteria plan is tested. However, if the employer prohibits (which is rare) pre-tax contributions into employees' HSAs then the HSA must be tested under the HSA Comparability Rules. Those tests are beyond the scope of this document. If you have questions about this please contact our compliance team at compliance@naviabenefits.com.

Health Reimbursement Arrangements (HRAs)

Please note that due to the widely varying nature of HRA plan setups most of the information below is general and may not directly apply to your specific plan design.

What is an HRA?

A Health Reimbursement Arrangement is an employer-funded, tax-advantaged health plan that allows reimbursement of out-of-pocket medical expenses. HRAs are highly customizable and are often provided as a supplement to employer sponsored health insurance.

HRA Plan Design Components

Eligible Expenses and Claim Payout structures

Employers may choose to allow reimbursement of any expenses under Internal Revenue Code Section 213 tax code, although it is common for employers to limit reimbursement to particular expenses (e.g. deductible, coinsurance and copays associated with the employer sponsored medical plan, dental and vision expenses).

HRAs may be setup to reimburse 100% of a participant claims as they are submitted, or on a tiered reimbursement structure (e.g. 0% of the first \$500; 75% of the next \$1,500). HRAs are often reimbursement-based, meaning that participants must submit claims for reimbursement. This is particularly true when the HRA is limited to particular expenses or has a tiered reimbursement structure.

Navia Benefits Card

For HRAs that are setup to allow reimbursement of all IRC Section 213 expenses it is possible for the employer to allow the participants to use a debit card to pay the provider of service directly from their HRA benefit. If you would like to offer the debit card to your participants or aren't sure if it is compatible with your plan design, please contact our employer services team for assistance.

Excepted Benefit HRA vs. Integrated HRA

An Integrated HRA only allows employees to participate if they're also enrolled in the employer sponsored group medical plan. It may also allow participation for employees that are enrolled in the group sponsored plan of another employer (e.g. a spouse's employer), but this is generally not advisable since it falls on the employer to verify enrollment under the other employer's plan. Due to health care reform, HRAs that reimburse general medical expenses must be Integrated.

An Excepted Benefit HRA reimburses dental, vision, orthodontia and long-term care insurance expenses. Due to the limited nature of the benefit, Excepted HRAs are not subject to the requirements of health care reform, which means that employees can participate in the HRA even if they are not enrolled in the employer-sponsored group health plan.

Unpaid Claims Rollover

Unpaid Claims Rollover is a feature that allows employees to rollover excess claims from one plan year to the following plan year. The employer can elect for the rollover to happen as soon as the plan year is over or after the end of a claim filing period.

Unused Balance Rollover

Unused Balance Rollover is a feature that allows employees to rollover unclaimed balances from one plan year to the next. The rollover may happen as soon as the plan year is over or after the end of the claim filing period.

Interaction with other employer sponsored benefits

- **Health Savings Account (HSA)** – A general purpose HRA, one that reimburses expenses related to the group health plan (deductible, copay, coinsurance, etc.) or all IRC section 213 expenses will make an employee ineligible to participate in an HSA. If the HRA only reimburses limited expenses, such as dental, orthodontia, and vision expenses, then HSA eligibility is not affected.
- **Health Care Flexible Spending Arrangement (FSA)** – An HRA will undoubtedly reimburse one or more of the same types of expenses that are reimbursable under a general purpose Health Care FSA, so in scenarios where employers offer an Health Care FSA and an HRA the employer must determine which plan pays first. It is most common for the FSA to pay first since the benefit is usually funded with employee contributions that may be forfeited at the end of the plan year if not used, but with HRAs that are setup to only reimburse expenses tied to a medical plan (e.g. deductible/coinsurance/copay) it is common for the HRA to pay first. Navia Benefit Solutions will automatically process claims according to the payout order; employees are not allowed to determine which benefit their claims are reimbursed from.
- **Health Insurance** – Participants must wait until insurance has applied their benefits and determined the patient's responsibility before utilizing their HRA.

Plan Contributions

Based on your plan design, you may have contributions funded to the HRA on an annual, quarterly, or monthly basis. As HRA benefits work like a bank account, funding must be available in order to claims to be paid out. How you choose to fund your HRA will determine when the funds are available for your employees to apply towards applicable claims.

Generally, our HRA clients will have contributions automatically posted to eligible employee HRAs according to the funding schedule they set-up (i.e, annual, quarterly, monthly, etc.) which requires no additional work or attention from the employer so long as our records are up to date with current eligibility information.

Plan Funding

HRA benefits are funded based on employee reimbursements from the plan – this is referred to as disbursement funding. The Disbursement style arrangement requires a funds transfer equal to the amount of employee claim reimbursements. In this arrangement Navia will simply ACH debit the employer's bank account for the amount of claim reimbursements issued to plan participants according to your reimbursement schedule. A notification for the availability of a Disbursement Report listing employees and reimbursement amounts will be sent via email each reimbursement processing date. Navia will initiate an ACH debit to the employer's bank account that will occur within 2 business days of the reimbursement processing date. The disbursement style arrangement is also known as a Zero Balance Account (ZBA). A year-end plan forfeiture report will be provided after the claim run out period and ERISA appeal period and any discrepancies in accounting will be reported and refunded or requested at that time.

Plan Enrollment

HRA enrollment is usually automatic and tied to enrollment in an employer sponsored medical plan, but employers may choose to enforce that the employees must elect to participate. Either way you choose to manage the enrollment in your HRA benefit, the enrollment data may be supplied to Navia through the employer portal of our website or via a file feed. The timing of when you need to supply the data may help determine the simplest method of reporting any updates to us:

- **During Open Enrollment:** At renewal, Navia can supply you with a file feed showing all of your currently enrolled employees. You can use this file to report those who are no longer eligible, and to report new enrollees for the upcoming plan year.
- **New Hires:** Throughout the plan year, new employees may be reported one of two ways –
 - **Employer Portal** - New employees can be entered into the system by accessing the Participants menu under the left-hand Plan Management menu, then clicking “Add Participant.” You’ll need to enter the employee’s demographic information, as well as the benefit amount that they are eligible to receive for that plan year. If your plan covers spouses/dependents, you’ll also need to provide any additional covered individuals during the enrollment process.
 - **Census File** - For larger populations of employees, we can also accept a file containing demographic information for employees that are eligible to participate in the HRA. If you are interested in sending over a file feed to Navia please reach out to us at employerservices@naviabenefits.com. Upon request, we can supply detailed file specifications specific to your plan and assist you with the file implementation process.

Using either method for reporting new hires, once we have the new enrollment information in our system Navia will then load contributions to the new HRA benefits as applicable.

Midyear Changes

Leave of Absence

Employees may or may not be eligible to claim services incurred while on a leave of absence. You may record leave of absence start and end dates on our online Employer Portal or you may send an email to elections@naviabenefits.com including the employee’s name and leave of absence dates and we can update the benefit eligibility for you. Entering leave of absence dates will allow employees to claim expenses that were incurred before or after their leave only. Expenses incurred during the leave will not be considered eligible for reimbursement.

If your plan allows employees to claim services while out on leave then you will not need to set a leave of absence for the employee. The benefit may remain open to them to claim expenses as normal.

Termination

There are a few different ways that an HRA benefit may be treated when an employee terminates employment or is no longer eligible to receive the benefit:

Claims run-out: If your plan design provides a claims run-out period after termination, the employee would be provided an amount of time, 90 days for example, from their date of termination that would allow them to submit claims that were incurred prior to their termination date. Once the run-out period has ended, the employee may no longer access the funds available in their benefit.

No claims run-out: Some plans do not offer additional time for claim submission after termination. In this case, employees simply lose access to the funds available to them in their HRA as of the date of termination.

Spend Down: Spend-Down is a state of HRA participation where the participant is no longer receiving contributions but can continue to incur expenses and submit claims to use any remaining balance. Occasionally, employers will design an HRA plan to allow terminated employees to spend-down an HRA balance for a specified amount of time after termination.

Reporting Package

Communication between you and Navia Benefit Solutions is essential to running a well-administered plan. Navia's standard reporting package consists of Disbursement Reports, Year to Date (YTD) reports, and Employee Statements. The Disbursement Report and Year to Date (YTD) reports are made available to you each scheduled reimbursement date through the employer portal.

Disbursement Report

The disbursement report lists reimbursement activity associated with the specified processing cycle. The report is broken down into two or three tabs depending on your plan design. The first tab shows manual reimbursements that were issued to participants via check or ACH deposit. If no manual reimbursements were issued for the processing cycle the 'Manual Claim Disbursements' tab of your worksheet will show a balance of \$0.00 for that cycle. Tab two of the worksheet will contain any debit card activity for that cycle. If your plan does not include the debit card, this tab will be omitted. Tab three of the worksheet will show any plan adjustments that have taken place during the last cycle.

IMPORTANT: Employers using the disbursement style arrangement must ensure payment equal to the amount of claim reimbursements listed on the Disbursement Report. Payment will be due within 2 business days of when the Disbursement Report is generated.

Year to Date (YTD) Report

The YTD report is a summarized listing of all the participant balances as well as the plan balance. This report provides an accurate reflection of the plan total every time a reimbursement is issued by Navia and can be used to determine overall plan utilization. You will receive a year to date report each time reimbursements are issued from your plan. You also have the ability to pull a custom report at any time through the employer portal.

Employee Statement

The Employee Statement will provide contribution, disbursement, and adjustment details for a particular employee. Simply enter the last name or SSN for the employee, select the plan year, and hit 'Generate'.

Nondiscrimination Testing

Navia Benefit Solutions provides nondiscrimination testing for your plan as part of our administration package. Most plans are required to complete end of the year testing to determine whether a plan discriminates in favor of Highly Compensated Employees or Key Employees (see definitions below).

The annual test is conducted at the end of each plan year. Navia will email a Request for Information (RFI) prior to the plan year end. It is your responsibility to return the RFI and necessary data to ensure your plan's nondiscrimination test is completed.

Navia also provides nondiscrimination pretesting at the beginning or middle of the year for plans that anticipate problems passing the tests. A pretest will enable employers to make mid-year adjustments to benefits in order to pass final testing at the end of the year.

Essential Terms:

Highly Compensated Employee (HCE)

- An officer; **or**
- An owner owning more than 5% of the employer, voting power, or value of all classes of stock; **or**
- An employee who earned in excess of \$125,000 in the prior plan year.
- A spouse or dependent of an individual described above that works for the same employer.

Key Employee (KEY)

- An officer who earned in excess of \$180,000 in the prior plan year; **or**
- A more than a 5% owner; **or**
- A more than a 1% owner receiving compensation in excess of \$150,000 in the prior plan year.
- Note: Government Entities do not have Key Employees.



NONDISCRIMINATION TEST RED FLAGS



If your plan contains any of the following situations or plan designs, please contact Navia to have your plan reviewed and tested.

- **Ineligible individuals participating:** More than 2% owners of an S-Corp (and their spouse, children, grandchildren, and parents), partners in a partnership, or members of an LLC are not eligible to participate in a Section 125 plan—this includes the premium only plan as well as the Health or Day Care Flexible Spending.
- Zero non-HCEs eligible for Premium Conversion Plan or the Health & Day Care FSA;
- The plan excludes a high percentage of employees (part-time, seasonal, hourly employees) or non-HCEs;
- Not all employees receive the same employer contributions;
- KEYs or HCEs receive more employer contributions toward their group medical premium or the FSA than other employees;
- Disparate waiting periods or disparate eligibility requirements (e.g. hourly receive benefits after 90 days, salary after 30);
- Different benefits provided to employees;
- Only 5% Owners participating in the Day Care FSA;
- A high percentage (>25%) of KEYS contributing to the Flexible Spending Arrangement;
- Only HCEs participating in the Day Care FSA; or
- Only one participant in the Day Care FSA and that participant is an HCE.

Plans frequently fail the Day Care Test. The plan cannot have only HCEs participating in this portion of the plan or it will fail.

For more information about nondiscrimination testing or to request a pre-test please contact Navia at NDT@NaviaBenefits.com.

Participant Experience

Navia provides participants multiple ways to access their benefits. Ease of accessibility for the individual user is key in making the benefit simple to understand and access. Participants have access to their benefit information through our website, the MyNavia app, and our customer service team.

Participant Portal

Provided earlier in this document are instructions for participants to register for access to the participant portal of www.naviabenefits.com. Through the portal, participants have access to a wealth of information regarding the benefits they are enrolled in. Participants are able to self-service through the portal –

- Manage debit cards: Participants can report cards lost/stolen, request new cards, or request additional cards for a spouse or dependent.
- Track claims history: Participants can view their benefit statement online and check balances.
- Access tools and resources.
- View debit card swipes that need to be substantiated and submit documentation to verify their swipes.
- Submit claims for reimbursement.
- Access important plan dates, deadlines, and useful forms.

MyNavia Mobile App

Participants can check balances, view their account, and submit claims on the go using the MyNavia Mobile App. The app is available for use with Android and Apple smartphones and can be downloaded through Google Play and the iTunes App Store. Once downloaded, participants can follow the steps below to register their app –

Step 1: After the app is downloaded, open the app and enter your username/password for the Navia website.

Step 2: Once successfully logged in to the app, request a verification code to be sent via text or email. The identification code will be sent to the account holder's email address on file with Navia and will be valid for 24 hours.

Step 3: Enter the verification code. If you would like, enable biometric login (fingerprint or face recognition). Users who prefer not to use biometric login options can login with their username and password.

Submitting Claims

Claims may be submitted to Navia a variety of different ways:

- MyNavia mobile app
- Online Claims Submission through the participant portal
- FlexConnect Tool
- Send completed [claim form](#) by email or mail.

General Claims Submittal:

Email: claims@naviabenefits.com

Mail: Navia Benefit Solutions

PO Box 53250 Bellevue, WA 98015

Phone: Local (425) 452-3500 or Toll-free (800) 669-3539

If your employer offers an HRA, Dental or Wellness plan, submit to:

Email: 105@naviabenefits.com

Mail: Navia Benefit Solutions

PO Box 53250 Bellevue, WA 98015

Phone: Local (425) 452-3421 or Toll-free (866) 897-1996

Claims are processed within 2 business days of receipt and will be paid out according to your plan's specific reimbursement schedule. Participants will receive their funds in the form of a mailed check or direct deposit depending on how they have their individual benefit set-up. Employers that utilize the paycheck addback arrangement will receive a disbursement report with employee reimbursement details to be added to participant paychecks. (See the [Plan Funding Arrangement](#) section of this guide for more information.)

COBRA

What is COBRA?

COBRA was instituted to provide continuation coverage to individuals under group health plans when coverage is lost due to Qualifying Events. There are firm guidelines and timetables group health plans and individuals must adhere to with COBRA offerings and elections, and we at Navia Benefit Solutions are here to help you navigate this plan.

Quick Definition & Reference Guide

The following terms and definitions will help make understanding and using this guide easier:

Members in COBRApoint

- Qualified Beneficiary (QB) – Member on active benefits who is losing coverage due to a qualifying event.
- Primary Qualified Beneficiary (POB) – Primary account holder.
- Direct Bill – Most often referring to a retiree. Please disregard if you do not offer retiree benefits through Navia.
- New Hire – New or current employees who have recently elected for benefits.

New Hires – General Rights Notice

When an active employee elects for benefits, they and any dependents must be notified of their rights to continue those plans on COBRA should they ever experience a Qualifying Event. You have 90 days to notify Navia once a new hire or a current employee elects for benefits. Once notified, Navia will issue a General Rights Notice to the employee explaining these rights.

Qualifying Events – Specific Rights Notice

"Qualifying Events" are certain events that would cause an individual to lose active health coverage through their employer. You must notify Navia of the new QB within 30 days of the Qualifying Event date. The type of qualifying event will determine who the qualified beneficiaries are and the amount of time that a plan must offer the health coverage to them under COBRA. A plan, at its discretion, may provide longer periods of continuation coverage.

Both employees and dependents can experience Qualifying Events. Should an employee lose coverage, any dependents on their health plans should also be offered COBRA, as both employees and dependents have an equal right to continue benefits on COBRA. Dependents of active employees can also experience their own individual Qualifying Event separate from the employee. Employee-level events most often receive 18 months of COBRA, with the possibility to receive an extension for up to a total of 29 months due to disability. Dependent-level events automatically receive 36 months of COBRA. Whomever is losing coverage will be the Primary Qualified Beneficiary

Once the Qualifying Event has been reported, Navia will issue a Specific Rights Notice (SRN) to the Qualified Beneficiary. The Specific Rights Notice contains information specific to that particular Qualified Beneficiary including plans, rates, dependents, COBRA timeline, etc., as well as explanation for how to enroll in COBRA and register with the web portal.

Qualifying Events for Employees:

- Voluntary or involuntary termination of employment for reasons other than gross misconduct

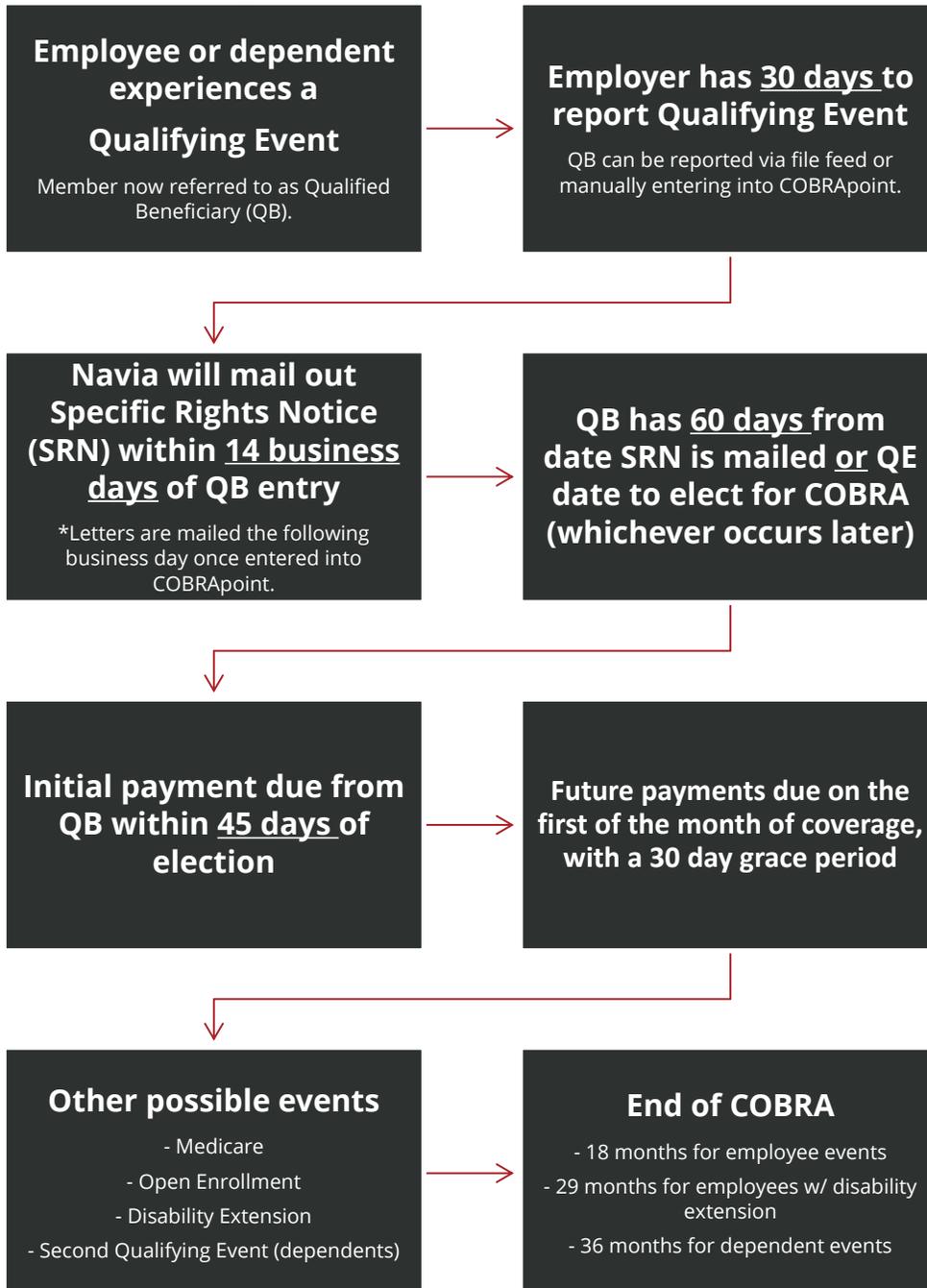
- Reduction in the number of hours of employment
- Retirement

Qualifying Events for Dependents:

- Divorce or legal separation of the covered employee
- Covered employee's becoming entitled to Medicare
- Death of the covered employee
- Loss of dependent child status under the plan rules

*<http://webapps.dol.gov/dolfaq/go-dol-faq.asp?faqid=245&faqsub=COBRA+Continuation+Health+Coverage&faqtop=Health+Plans+%26+Benefits&topicid=16>

Qualified Beneficiary COBRA Timeline

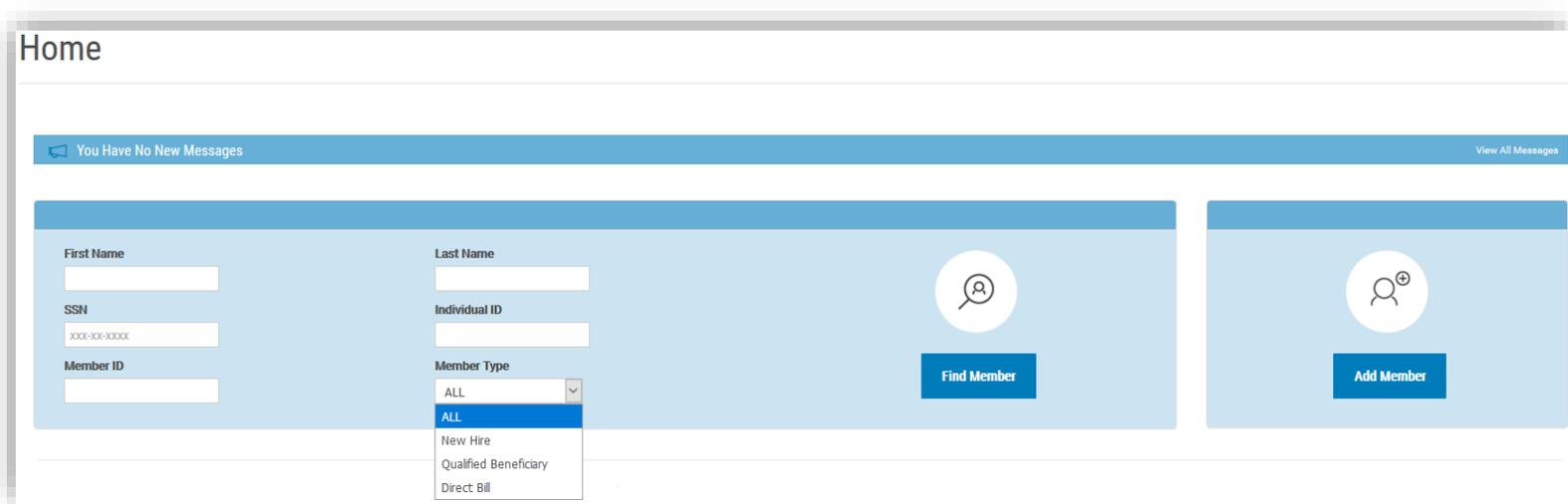


Navia Benefits – COBRApoint.Benaissance

The COBRA portal is linked through the employer portal available on www.naviabenefits.com. Once you have logged in to your employer portal, select the **Access COBRA/Direct Bill** link at the bottom of the left-hand menu to direct you to the COBRA system. Once there, you'll have access to searching for and adding new hires and qualified beneficiaries. Should you time out of the COBRA portal, you must go back and select Access COBRA/Direct Bill through the Navia employer portal.

Basic Navigation

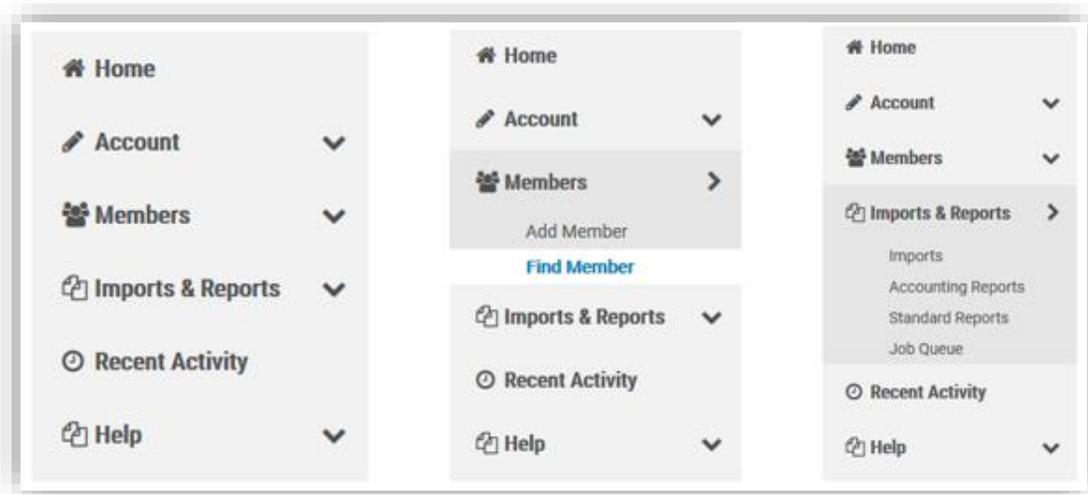
You can both search and add members directly from the Home screen. When searching, you can use the dropdown



The screenshot shows the 'Home' page of the Navia Benefits portal. At the top, there is a blue banner with the text 'You Have No New Messages' on the left and 'View All Messages' on the right. Below this banner, the page is divided into two main sections. The left section is a search form with the following fields: 'First Name' (text input), 'Last Name' (text input), 'SSN' (text input with a placeholder 'xxxx-xx-xxxx'), 'Individual ID' (text input), and 'Member ID' (text input). Below these fields is a 'Member Type' dropdown menu with the following options: 'ALL' (selected), 'New Hire', 'Qualified Beneficiary', and 'Direct Bill'. To the right of the search form is a 'Find Member' button with a magnifying glass icon. The right section is an 'Add Member' button with a person icon and a plus sign.

options under Member Type to specify the type of member to search.

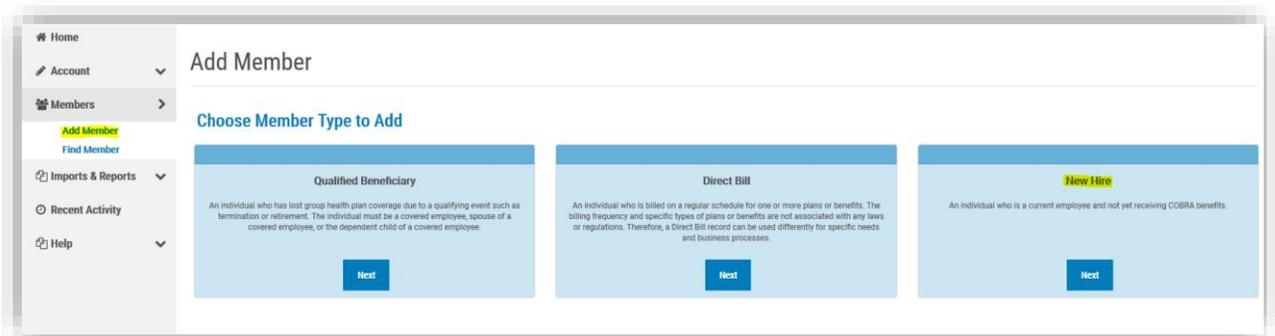
The dropdown menu on the left side of the screen will always remain as you navigate the portal. This menu contains links to parts of the portal that you will most frequently be using, including finding and adding members, as well as helpful reports.



Add a New Member

New Hire

- Select "Add Member," then "New Hire"
- Select the appropriate division under the dropdown on the right side of the screen



- Complete all fields with red asterisks. All others may be left blank

Add New Hire

Enter Profile Information Step 1 of 1

Employer Name: Navia Benefit Solutions Division: * Choose...

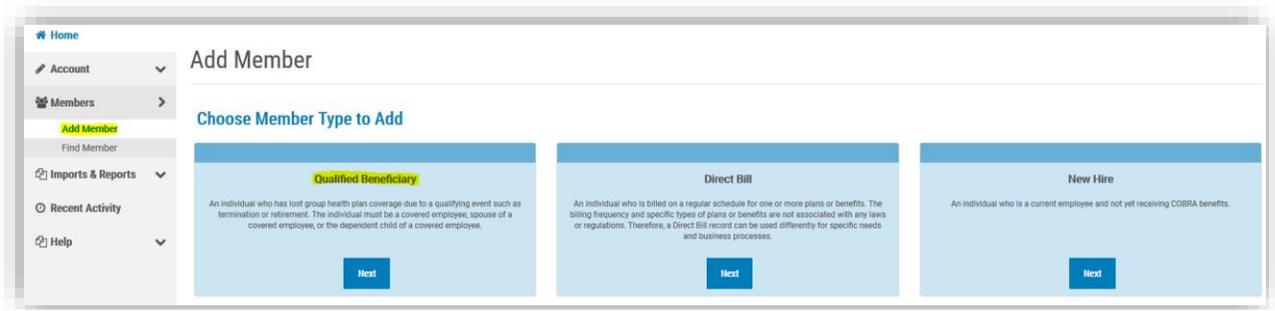
<p>Salutation Choose...</p> <p>First Name *</p> <p>Middle Initial</p> <p>Last Name *</p> <p>SSN * xxx-xx-xxxx</p> <p>Individual Identifier</p> <p>Gender * Choose...</p> <p>Hire Date mm/dd/yyyy</p> <p><input type="checkbox"/> Has waived all coverage <input checked="" type="checkbox"/> Send General Rights letter when finished</p>	<p>Phone (xxx) xxx-xxxx</p> <p>Phone 2 (xxx) xxx-xxxx</p> <p>Email</p> <p>Address *</p> <p>Address 2</p> <p>City *</p> <p>State *</p> <p>Zip *</p> <p>Country</p> <p><input checked="" type="checkbox"/> Use '& Family' Addressing for mailings <input type="checkbox"/> Do you want to enter HIPAA Certification information?</p>
---	---

[Cancel](#) [→ Add Member](#)

- Leave “Send General Rights letter when finished” to prompt our system to generate the initial COBRA notice
- Check “Has waived all coverage” if the employee has waived all coverage and you wish to store record of that
- Check “Use ‘& Family’ Addressing for mailings” if the member has any dependents on their benefits
- Optional: checking “Do you want to enter HIPAA Certification information?” will prompt you to save the information on the first page and then enter plans and dependent data. This is not required, and the information will not be utilized by Navia. **We recommend this box remain unchecked.*
- Select “→ Add Member” to save New Hire account
- General Rights Notice will be mailed the following business day

Add a New Qualified Beneficiary (QB)

- Select “Add Member,” then “Qualified Beneficiary”



Step 1 – Enter Profile Information

- Select the appropriate division under the dropdown on the right side of the screen
- Complete all fields with red asterisks, as well as the Individual Identifier and personal email address and/or phone number if available. All others may be left blank.
- Select “→ Next”

The screenshot shows the 'Add Qualified Beneficiary' form, Step 1 of 7: 'Enter Profile Information'. At the top, it says 'Employer Name: Navia Benefit Solutions' and 'Division: Choose...'. The form contains the following fields: Salutation (dropdown), First Name (*), Middle Initial, Last Name (*), Address (*), Address 2, City (*), State (*), Zip (*), Country, Phone (format: (xxx) xxx-xxxx), Phone 2 (format: (xxx) xxx-xxxx), Email, SSN (*, format: xxx-xx-xxxx), Individual Identifier, Gender (*, dropdown), Date of Birth (*, format: mm/dd/yyyy with calendar icon), Benefit Group, Account Structure, and Employer Custom Data. A 'Cancel' button is at the bottom left and a 'Next' button is at the bottom right.

Step 2 – Enter Employee Information

- The “Tobacco Use”, “Employee Type”, and “Payroll Type” dropdown options on the left side of the screen can be left as Unknown, as they are only for your records and do not affect our administration

- Do leave “Premium Coupon Type” as Coupon Book. This way the QB will receive premium payment coupons to track their payments once they have enrolled.
- Always select No under “Has this member already been offered COBRA?” Selecting Yes is exclusively used by Navia during the implementation/takeover process.

Add Qualified Beneficiary

Enter Employee Information Step 2 of 7

Tobacco Use *
Unknown

Employee Type *
Unknown

Payroll Type *
Unknown

Years of Service
[Empty field]

Premium Coupon Type *
Coupon Book

Event Category *
 Employee ?
 Dependent ?

Event Type *
Choose...

Event Date *
mm/dd/yyyy

Date of Hire/Enrollment Date *
mm/dd/yyyy

Has this member already been offered COBRA? *
 Yes
 No

Cancel ← Previous → Save & Continue

- Under “Event Category”, Employee is selected by default. Only change to Dependent if the primary QB is a dependent of an employee and the qualifying event (QE) is either Death, Divorce/Legal Separation, Loss of Dependent Status, or the employee has gone on Medicare and therefore his/her dependents are now on COBRA.
 - If Dependent is chosen, the employee’s name and SSN will also be required
- Choose the appropriate “Event Type” and fill in the “Event Date”.
- “Date of Hire/Enrollment Date” can be either the date they were hired or the first day they had benefits
- When finished, select “→ Save & Continue”

Step 3 – Enter Plan Information

- Select "+ Add Plan"
- Select either "Plan" or "Bundle" in the Add Plan window
 - A bundle is a set of two or more plans where one cannot be chosen without the other. These are relatively rare, and will be determined during plan setup implementation or renewal.
- Select the plan that the QB was enrolled in as an active employee
- Choose the appropriate coverage level (ex., QB Only, QB + Spouse, etc.)
- Leave the date that populates as "First Day of Coverage"
- Select "✓ Save"
- Repeat for each plan
- Select "→ Save & Continue"

*Special Process for Flexible Spending Accounts:

Healthcare FSAs are required to be offered to continue under COBRA for the remainder of the current plan year only if the individual has contributed more than they've been reimbursed at the time of termination and there is more than one month remaining in the plan year.

- When adding the FSA, always select the coverage level as "QB Only".
 - Notice the # Months of Coverage is reduced from the typical 18 to the number of months remaining in the current plan year.
- Select "+ Add Rate"
- Use the same date populated in the "First Day of Coverage" box for the "Start Date" of the rate period. No need to add an End Date as this is automatically calculated by our system.
- The FSA rate is calculated the as follows:

$$\text{\$Annual Election} - \text{\$Contributions to Date} = \text{\$Remaining Amount Owed to Account} \div \text{\#Months Left in Plan Year}$$

For example, if a member elected \$2200 for the year, contributed \$507.72, with 9 months left in the plan year, you would calculate the rate as follows:

$\$2,200.00 - \$507.72 = \$1,692.28 \div 9 \text{ (months)} =$
 $\$188.03 \text{ per month base COBRA rate}$

- Enter the FSA rate, then select “↓Add” to set the rate period, then “√Save” to add the plan

Step 4 – Dependents

If there are no dependents, you can skip this section

- Select “+ Add Dependent”
- Choose the appropriate Relationship
 - Should the dependent live at a different address than the primary QB, uncheck “Address same as QB” and update dependent’s address
- Enter the First and Last name
- Enter SSN, gender, and/or birthdate if

Add Dependent

Relationship is required
 Relationship *

Qualified Medical Child Support Order (QMCSO)

Salutation

First Name *

Middle Initial

Last Name *

SSN

Date of Birth

Gender

Enrollment Date

Plan Start Date *

Address same as Qualified Beneficiary

Address *

Address 2

City *

State *

Zip *

Country

Phone

Phone 2

Email

AVAILABLE DEPENDENT PLAN(S)				
+ Select All	Plan Name	Start Date	End Date	Plan Type
<input type="checkbox"/>	Test Plan	01/01/2018	06/30/2019	Medical
↓ ADD SELECTED DEPENDENT PLAN(S)				
ADDED DEPENDENT PLAN(S)				
Plan Name	Start Date	End Date	Plan Type	
No data to display				
<input type="button" value="Cancel"/>		<input type="button" value="Save"/>		

available

- Once the relationship is selected, plan options available to that relationship will display below (determined by coverage levels selected on each plan on previous page)
- Select each plan that applies to that particular dependent, or click “+ Select All” to choose all plans

- Select “↓Add Selected Dependent Plan(s)”
- Select “√Save”
- Repeat for each dependent
- Select “→ Save & Continue”

Add Subsidy Schedule

Subsidy Schedule Start: *
01/01/2018

Subsidy Schedule End: *
06/30/2018

Subsidy Schedule Type: *
Employer Subsidy

Subsidy Schedule Amount Type: *
Percentage

Plan Type: *
Medical

Amount: *
0.00%

Cancel Add

Step 5 – Subsidies

If employer is not subsidizing the cost of COBRA premiums, you can skip this section

- Select "+ Add Subsidy Schedule"
- Enter the start/end dates that the subsidy will be applied
- Select "Percentage" or "Flat Amount" as the Amount Type
- Enter the amount of the subsidy
- Choose the appropriate Plan Type from the dropdown list
- Select "✓Add"
- Repeat for each benefit that is being subsidized. There should be one per insurance type where a subsidy is being offered
- Select "→ Save & Continue"

Step 6 – Letter Inserts

- If the group plans offered are based out of a state with their own COBRA extension laws, such as California's CalCOBRA, check the box next to the appropriate state insert letter
 - This is also determined by the state the member currently resides in
 - For example, if the QB moved to Minnesota after termination, you must select both Minnesota state inserts to be included.
 - If the QB lives in a state that is not shown on the list, no state insert needs to be included
- These letters are only sent with the Specific Rights Notice and must be selected to be included in the packet. They are not automatically included.
- Select "→ Save & Continue"

Letter Inserts Step 6 of 7

California Specific Rights Letter Insert

Commonwealth of VA Continuation

Connecticut Specific Rights Letter Insert

Georgia State Continuation

Illinois State Continuation

Minnesota Continuation Specific Rights Insert

Minnesota Life Specific Rights Letter Insert

New York State Continuation

Oregon Specific Rights Letter Insert

Rhode Island State Continuation

Texas Specific Rights Letter Insert

VEBA Specific Rights Letter Insert

Step 7 – Letter Attachments

If you have not requested additional documentation to be included with Specific Rights Notices for QBs, you can skip this section

- Select “→ Add Member” to save QB account
 - Specific Rights Notice will be mailed the following business day

Members >

Add Member
Find Member
Individual Member
Profile
Plans & Bundles
Dependents
Subsidies
Payments
Premiums Paid
Premiums Due
Letter Inserts
Letter Attachments
Communications
Timeline

Sara Samplename
Qualified Beneficiary Member | SSN: 111-11-1111

Employer: Navia Benefit Solutions
Employer Division: Flex-Plan Services, Inc.

Event Date: 12/31/2017 First Day of Coverage: 01/01/2018
Payment Due: 04/01/2018 Last Payment Postmark Date: 09/14/2018
Amount Due: \$102.00 Unallocated Amount: \$0.00 Member Owes: \$102.00

***Once the profile has been saved, you will only have access to add/update/delete the Subsidy Schedule. Any other corrections or changes must be communicated to Navia for updating.**

Navigating a QB Profile

When viewing a QB profile, you will see more menu options drop down on the left side of the screen. This will help you navigate the profile to find the exact information you are searching. The blue QB banner will remain at the top of the screen while navigating the menu.

This banner will show if the member has elected, their Qualifying Event date, First Day of COBRA Coverage, the total amount due for the next premium, any unallocated funds from a partial payment, and the remaining amount due to pay in full.

Profile

- The Profile page will show the member’s personal and event information, plus their unique registration code and if the member has registered with the web portal.

Plans & Bundles

- The Plans tab allows you to view the plans offered to the member, start/end dates per plan, coverage level, and rate.
- Selecting the dropdown next to the plan name will display further plan information including status and any dependents enrolled in that plan.

Dependents

- All dependents and their relationship will be shown
- Selecting the dropdown next to the dependent name will display further plan information, including the plans they are enrolled in.

Subsidies

- You will see all subsidies that have been applied to the member’s account, the date range, plan type, and amount
 - Keep in mind that a subsidy can be adjusted at any point in time, however this will queue a new Subsidy Notice and may cause issues with any payments that have already been made
- If an offering a subsidy, select “+ Add Subsidy Schedule” and follow instructions above in **Step 5 - Subsidies**
- To edit an existing subsidy, select “Edit”

Billing Period	Premium	Admin Fee	Subsidy	Paid
▼ March 1 2018	\$222.38	\$4.45	\$0.00	\$226.83
Plan Name FSA Carrier Plan ID: Navia Benefit Solutions Premium: \$222.38 Admin Fee: \$4.45 Subsidy: \$0.00 Paid: \$226.83 PAYMENT DETAILS Entered: 02/05/2018 Payment Method: Non-Cash Non-Remitted Payment Payment: \$226.83 Allocated: \$226.83 Remitted: ✕				
> February 1 2018	\$222.38	\$4.45	\$226.83	\$0.00

Payments

- Displays all payments that have been made on the account

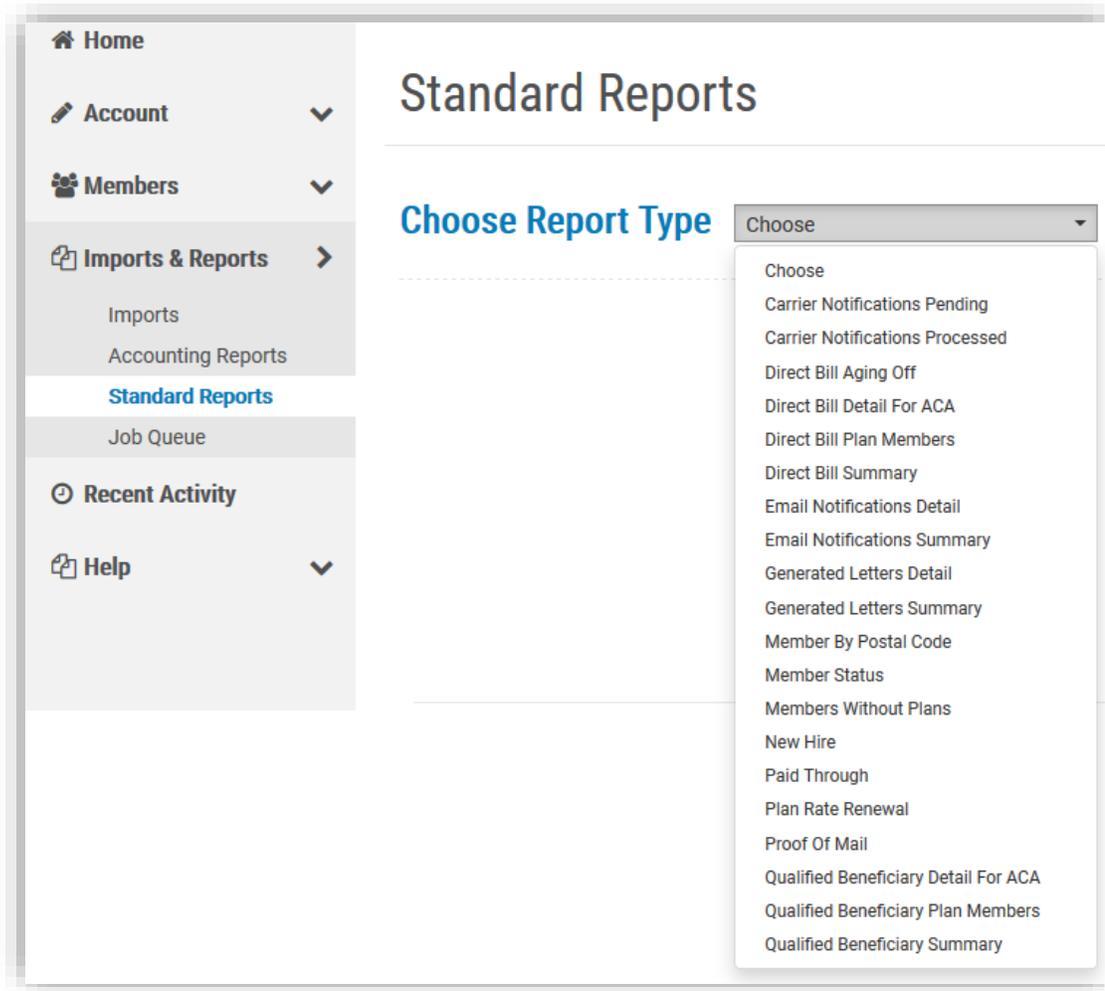
Premiums Paid

- This shows a detailed account of all past premiums, the amount of the admin fee, any subsidized amounts, and how much the member paid
- Selecting the dropdown next to the Billing Period month will show a breakdown of each plan’s premium and

Plans					
MEDICAL					
Plan Name	Start Date	End Date	Coverage Level	Rate	
▼ Test Plan	01/01/2018	06/30/2019	QB + Family	\$100.00	
First Day of Coverage: 01/01/2018 Last Day of Coverage: 06/30/2019 Months Coverage: 18		Days Elect: 60 Days 1st Payment: 45 Days subpayment: 30 Status: Enrolled and in 45 Day Grace Period Election Postmark: 07/31/2018			
Dependents:	Saul Samplename	Start Date:	01/01/2018	End Date:	06/30/2019
Dependents:	Sam Samplename	Start Date:	01/01/2018	End Date:	06/30/2019

whether the payment has yet to be remitted

Premiums Due



copy of it

- Displays upcoming premium amounts for future months

Letter Inserts

- If a state letter insert was selected when the QB was initially entered, a check mark will appear next to the letter that was included in the packet

Communications

- This section shows all letters that have been mailed out for a QB and the date they were sent
- Click the name of the letter to download a pdf

Timeline

- The Timeline references all past and future notable events. This includes everything from the Qualifying Event date and carrier notifications to the last day of COBRA coverage.
- There are several filters available if the list is too long to find what you need

Helpful Reports

There is a wide selection of reports available to pull directly from the COBRA portal, all with a variety of formats to view the exact information you are researching. Hovering over each plan name will provide a brief description of each report. While we do suggest looking through all reports, there are a handful that we have found to be particularly helpful:

Run Report

Email Addresses to notify when Report is complete *

Run Report Your Report will be placed into the Job Queue and the email addresses above will be notified when it is complete.

[Schedule Options](#)

Start on: 08/01/2018 at: 05:45 PM (Central)

Repeat

Repeats:

Daily
 Weekly
 Monthly

Every 1 days
 Every Weekday

Daily recurrence is limited to 1 month of scheduled items.

End by:

No End (limited to recurrence type above)
 After 10 occurrences
 End on Date 10/03/2018

Schedule Name:

[Preview Schedule](#) [Cancel Schedule](#)

Remittance
 Subsidy Schedule

Imports & Reports > Standard Reports (CSV format recommended)

- Qualified Beneficiary Plan Members – Provides a snapshot of all COBRA members at a given time. Sort and filter to see members based on activity status, plans, paid through, start date, etc.
- Qualified Beneficiary Summary – Provides full demographic, plan, dependent, and payment info for selected group of members. In the CSV format you must search by Member ID to find corresponding information
 - Can also be pulled as a PDF, which provides each member’s info all together, no need to search by Member ID to correspond
- Qualified Beneficiary Detail for ACA Report – Helpful for end-of-year reporting
- New Hire – Shows all New Hires entered within a given time frame

Imports & Reports > Accounting Reports (PDF format recommended)

- Remittance – Details how funds received from QBs for the previous month need to be distributed among plans and carriers.

All reports also can be scheduled to run at a future date, as well as set up on a recurring schedule. Once

a report is run, you will receive an email from JobQueue@Benaissance.com notifying you that the report is ready to be pulled from the Job Queue page, or you may navigate directly to the Job Queue page to download the report. Select “Refresh,” then select “View” to pull the report.

Navia Benefits – Additional Information

Remittances

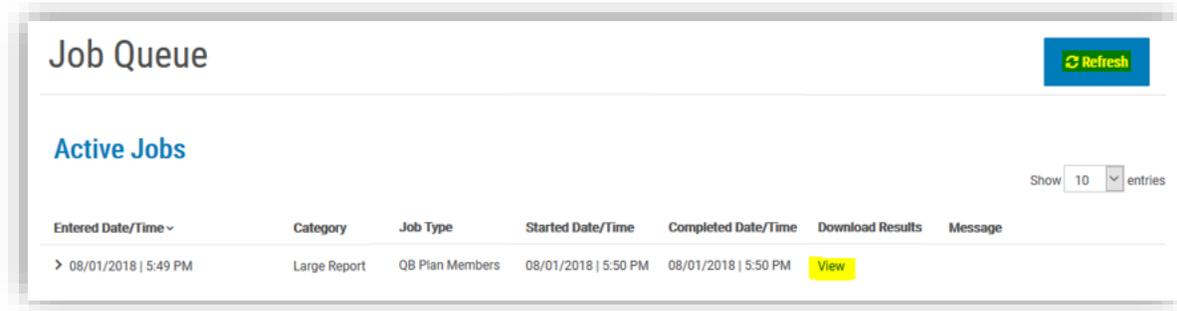
Since QBs are allowed 30 days to provide payment every month for COBRA premiums, Navia calculates remittances on the 15th of the following month to allow for payments sent late in the grace period to arrive at our lockbox. For example, January's remittance is run on February 15th. The funds that Navia has collected from QBs will then be distributed to either the employer or directly to the insurance carrier(s) (as determined at implementation). The Remittance Report will assist with the reconciliation of insurance carrier invoices.

****The client is responsible for reconciling all invoices from insurance carriers.***

Administrative Invoices

Plan fees for each benefit that you hold with Navia are listed in the Administrative Services Agreement. We invoice one month in arrears to capture any plan eligibility changes that happened during the previous month. You will receive a consolidated invoice via email each month for all benefits that Navia administers for you, unless you've elected to have invoices split out by benefit or department. Payment is due within 30 days of the invoice date. If you have direct debit set-up to allow Navia to pull funds for your monthly invoices we will initiate a debit within 5 business days of sending your invoice.

Invoices can be easily found on the employer portal by selecting 'Invoices' located under the Forms & Documents section at the bottom of the home page.



The screenshot shows a 'Job Queue' interface with a 'Refresh' button in the top right. Below the title is a section for 'Active Jobs' with a 'Show 10 entries' dropdown. A table lists job entries with columns for Entered Date/Time, Category, Job Type, Started Date/Time, Completed Date/Time, Download Results, and Message. One entry is visible: Entered Date/Time: 08/01/2018 | 5:49 PM; Category: Large Report; Job Type: QB Plan Members; Started Date/Time: 08/01/2018 | 5:50 PM; Completed Date/Time: 08/01/2018 | 5:50 PM; Download Results: View; Message: (empty).

Entered Date/Time	Category	Job Type	Started Date/Time	Completed Date/Time	Download Results	Message
> 08/01/2018 5:49 PM	Large Report	QB Plan Members	08/01/2018 5:50 PM	08/01/2018 5:50 PM	View	

If you do not have direct debit set-up, but would like to, please complete our [Direct Debit & Credit Authorization Agreement](#) and return it to employerservices@naviabenefits.com for processing.

Deposit Invoices

Depending on your plan design, you may also receive deposit invoices from Navia when you establish your plan, or if you make plan design changes. These invoices are also due within 30 days of the invoice date.

If you have a deposit on file, we may reassess the value of the deposit from year to year – this is called a true-up. As the deposit amount is typically a percentage of all plan dollars, if your plan enrollment changes from one year to the other creating a change to the invoice amount of more than +/- \$1,000 we may ask for additional funding or return extra funds to you if the deposit on file is greater than what we need. Deposit true-ups will be assessed once per year at the beginning of your plan year.

Administrative Documents & Plan Amendments

Plan Documents & Summary Plan Description (SPD)

Your plan documents were created specifically with your plan design in mind. They are unique to your plan and contain the specific details of how your plan works. Once you receive your plan documents make sure to review and ensure they match your needs. Plan documents that do not match actual administration of the plan are a compliance issue and can invalidate a plan.

It is important to keep your plan documents up to date, so we recommend reviewing them annually to ensure that they are consistent with your current plan design. Navia will update your documents as needed to comply with IRS regulations and to mirror your plan design.

The summary plan description (SPD) must be made available to all participants. This can be done via email, hard copy, or a company website. If you supply the summary plan to participants electronically you must ensure that everyone has access to a computer and keep documents, emails, or other notices that demonstrate that the summary plan was electronically distributed or otherwise provided.

Navia will automatically update your plan document and summary plan description if you make changes at renewal. Mid-year plan amendments cost \$150.

Employer Certification

HIPAA prohibits business associates from disclosing Protected Health Information (PHI) to members of the employer's workforce unless the employer agrees to the conditions and restrictions set in the Employer Certificate. This document certifies that the employer has taken the precautions necessary for Navia to disclose information to the employer.

Administrative Services Agreement

This is your contract with Navia, outlining the responsibilities of both Navia and your employer and the fees associated with administration. This agreement describes the services provided by Navia to your Organization and lists our mutual obligations.

Business Associate Agreement

This document is typically provided as part of the administrative services agreement. The HIPAA security rule permits a covered entity (the Plan) to allow business associates (Navia) to create, receive, maintain, or transmit electronic PHI on behalf of the covered entity only if the covered entity obtains a business associate agreement to safeguard the electronic PHI.

Plan Amendments

You may find it necessary to make an amendment to your plan mid-year to add an optional benefit such as the Navia Benefits Card or Carryover, to ensure plan compliance, or to make other changes. If you make changes to your plan mid-year, you need to distribute updated copies of the Summary Plan Description to all employees.

Cafeteria Plan compliance is one of our foremost concerns. Comprehensive plan compliance cannot be a unilateral effort; therefore, your assistance and attention to your plan in addition to our guidance is the only way to ensure that a plan complies with cafeteria plan rules.

Navia Contact Information

For current contact information, please visit our website at <https://www.naviabenefits.com/contact/>.

If you need to notify Navia Benefits of operational failures, incidents, problems, or complaints please contact: compliance@naviabenefits.com.