

MEMO

To: PEBB and StayFit Members

From: PEB Board

Re: StayFit Rewards Program Ending

Why is PEBB ending the StayFit Rewards Program?

We are ending the StayFit Rewards program in response to a recent IRS determination regarding the tax status of employee wellness incentives and rewards. The program ends July 31, 2016.

What was the IRS determination?

The IRS concluded that all cash incentives or rewards paid to employees for participation in an employer-sponsored wellness program are considered a payment of wages subject to employment taxes.

Why doesn't PEBB just add the incentive amount to employee wages?

Adding the incentive to employee wages creates administrative challenges for the program and other state systems because a StayFit member's incentive can vary month to month.

Will the state deduct and report 2016 taxes on incentives paid to the end of the program?

No. We are ending the program within a reasonable time from receiving the IRS information.

What action should I take now as a current StayFit participant?

PEBB will honor attendance reporting through July 31, 2016. As a StayFit participant you can report fitness facility visits made January 1st 2016 through July 31, 2016, provided you had PEBB medical insurance and a gym membership at the time. You have until Sept. 15, 2016, to report all attendance. The final subsidy payment for 2016 will be made the first week of October 2016.

If I am in the process of enrolling in the program, can I complete my enrollment?

If you are enrolled in the program you would have received a confirmation email from StayFit. If you did not receive a confirmation email, your enrollment in the program may be pending. You have until Sept. 16, 2016, to send in required documents or forms. If you are mailing the documents or forms to PEBB they must be post marked no later than Sept. 16, 2016. After this date PEBB will no longer accept enrollment forms for the StayFit program.

Please send all documents to:

Email: StayFit.Rewards@oregon.gov

Fax: (503) 373-1654

USPS: 500 Summer St. NE, E89, Salem OR 97301

What if I haven't enrolled but was planning to?

PEBB will accept enrollment forms for individuals not currently enrolled in the program until July 31, 2016, through the contacts listed above. After July 31, 2016, PEBB will no longer accept enrollment forms for the StayFit program. If you are mailing the documents to us they must be post marked by July 31, 2016. To enroll in the StayFit program, you **must** send in the following:

- Enrollment and Gym Membership Application
- Proof of your gym membership, which can be one of the following:
 - a. The gym or fitness center signs the last page of the enrollment application or;
 - b. Proof of payment or;
 - c. Copy of your gym agreement or contract.
- ACH Direct Deposit Form
- Voided Check

If your enrollment forms are incomplete or missing any of the above documentation, your enrollment may be denied.