

Dear colleagues,

Because you have a health care or dependent care flexible spending account through the NCFlex Program, we are writing to inform you of a security issue involving the P&A Group, the third-party administrator that manages these accounts.

What happened

Beginning in mid-May 2026, the P&A Group experienced a significant system infrastructure disruption that impacted their website, online portals, call center, email servers and claims processing systems. A second incident occurred on June 30, which is believed to be a security breach. The UNC System Office and all campuses send enrollment data to Empyrean, which then provides that information to P&A Group.

We have not received additional details surrounding the incident or exact information regarding what data may have been compromised.

However, given that the P&A Group holds sensitive personal information, including Social Security Numbers, health account data and banking details, all affected employees are strongly encouraged to be alert and take appropriate precautionary steps.

Please note: Your account funds are reported to be secure. P&A Group states that its banking partners were not affected. However, the UNC System cannot independently validate this information, so please remain vigilant.

What this means for you

Because you have a health care FSA or dependent day care FSA:

- Do not log in to your P&A Group account or make changes by phone or web.
- Do not share personal information with anyone claiming to be from P&A Group or NCFlex.
- **Avoid contacting P&A Group at this time, as we do not know the extent of the breach or which services are compromised.**
- Your NCFlex convenience card remains active for eligible purchases, but avoid using P&A's mobile or web tools.

Recommended actions

- Monitor your financial accounts and credit reports for unusual activity. You may obtain free reports at [AnnualCreditReport.com](https://www.annualcreditreport.com).
- Be cautious of phishing attempts and ignore unsolicited calls, emails or texts.
- Avoid clicking links that appear to come from P&A Group.

- Document any failed login attempts or any prior issues you experienced contacting P&A Group. Again, it is not recommended you attempt contacting P&A Group until notified it is safe to do so.

The UNC System is actively monitoring the situation and is in communication with the N.C. Department of Information Technology, which oversees the state's relationship with P&A Group. We are awaiting additional details and will provide further updates as they become available.

Sincerely,

Deidra Harris Lumpkins
Associate Vice Chancellor for Human Resources