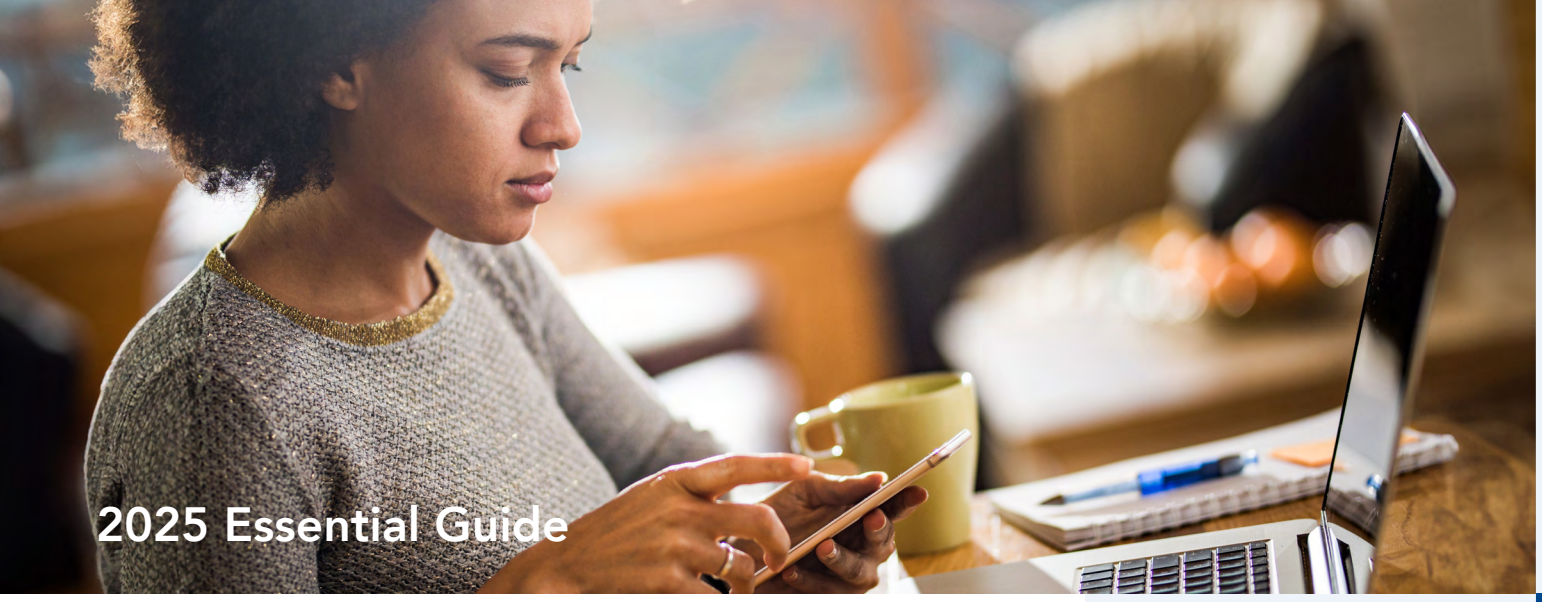
2025 STATE OF NEW JERSEY • TAX$AVE

FLEXIBLE SPENDING ACCOUNT (FSA)

Essential Guide

For more information, visit **HorizonBlue.com**

Horizon



2025 Essential Guide

Start Saving with an FSA. Here's How.

An Unreimbursed Medical FSA is an account you set up for your anticipated eligible medical services and medical supply expenses not normally covered by your insurance. A Dependent Care FSA is a pre-tax benefit account used to pay eligible dependent care services, such as preschool, summer day camp, before or after-school programs, and child or adult day care.

You can choose either – or both – an Unreimbursed Medical FSA and a Dependent Care FSA. With either FSA, you benefit from having less taxable income in each of your paychecks. This means more spendable pre-tax income to use toward your eligible medical and dependent care expenses.

Once you decide how much to contribute to your Unreimbursed Medical and/or Dependent Care FSA, the funds are deducted in equal amounts from your paychecks during the plan year. Before signing up for an FSA, review this reference guide to understand how FSAs can save you and your family a significant amount of tax money.

Important Dates to Remember

- Open Enrollment: **October 1-31, 2024**
- Period of Coverage: **January 1, 2025** through **December 31, 2025**
- Grace Period for Plan Year 2025: **January 1, 2026** through **March 15, 2026**
- Run Out Period for Plan Year 2025: **January 1, 2026** through **April 30, 2026**
- Grace Period for Plan Year 2024: **January 1, 2025** through **March 15, 2025**
- Run Out Period for Plan Year 2024: **January 1, 2025** through **April 30, 2025**
- See definitions on page 5

Have Questions? We're Here to Help.

Customer Service

The Horizon *MyWay* customer service team is available from 8 a.m. to 9 p.m., Eastern Time (ET), to answer your questions. You can reach our automated service 24 hours a day by calling 1-888-215-0025. Account information and helpful resources are available at **HorizonBlue.com**.

Written Inquiries

Mail to: Horizon *MyWay*, P.O. Box 14836, Lexington, KY 40511

Lost or Stolen Card

Contact Customer Service at **1-888-215-0025**, Monday through Friday, from 8 a.m. to 9 p.m., ET.

Inside:

Welcome to Horizon *MyWay*®	3
Enrollment at a Glance	4
Managing Your FSA	6
Available Funds and Contributions	7
FSA Expenses	8
Required Documentation	9
FSA Appeal Process	10
Using Your FSA Dollars	11
Horizon *MyWay* Visa® Debit Card	12
FSA Worksheet	13
Election Change Events	14
COBRA	15
Beyond Your Benefits	16

Please note: As of July 1, 2024, Aetna is also a medical insurance carrier for the State of New Jersey employees. Enrolling in Aetna's medical plan will not affect your eligibility to enroll in the Horizon *MyWay* program.

Welcome to Horizon *MyWay*

The State of New Jersey Division of Pensions and Benefits (NJDPB) is pleased to work with Horizon Blue Cross Blue Shield of New Jersey (Horizon) in the administration of your FSA(s) through Horizon *MyWay*®.

With Horizon *MyWay*, you get 24/7 support:

An easy-to-use portal for a simple user experience

The Horizon Blue app to manage your account from the palm of your hand

Expert assistance from a dedicated team every step of the way

Enrolling is easy:

Visit **HorizonBlue.com/enrollfsa** and enter your date of birth and social security number. Then click Enter to access our online enrollment tool. You can also enroll by calling 1-866-999-3531.

Please verify that your medical and payroll information (first name, last name, social security and date of birth) match through your employer. Only sign up using your legal name.

Remember

You need to enroll for Plan Year 2025 during Open Enrollment, which is October 1-31, 2024.

Have questions or concerns? We're here to help. Call **1-888-215-0025**, Monday through Friday, from 8 a.m. to 9 p.m., ET.

With the Horizon Blue app, you can:

- Display, download, print and share your member ID card
- Get care and advice from health care professionals
- Use telemedicine to virtually meet with medical and behavioral health professionals
- View your claims to see how much your health plan paid and any amount you may owe
- Find doctors and hospitals, and even schedule appointments
- Conveniently and easily submit medical claims to Horizon
- Check if a treatment or service is covered
- Track your deductible, if applicable, and maximum out-of-pocket costs
- Email or chat with a Member Services Representative to get answers to your questions
- Pay your premium bill online and set up Auto Pay, if you are an individual or a Medicare supplement member who purchased insurance for yourself or your family directly through Horizon or through Get Covered NJ

HORIZON

The **Horizon Blue** app offers members a range of tools to manage their health spending and savings accounts. Download the free **Horizon Blue** app by scanning the QR Code or visiting the App Store® or Google Play™.

Google play | Download on the App Store

*There is no charge to download the Horizon Blue app, but rates from your wireless provider may apply.

Enrollment at a Glance

Tax$ave is available to eligible State employees.
An eligible employee is any full-time employee of the State, or a State college or university, who is eligible to participate in the State Health Benefits Program (SHBP) through Horizon or Aetna.

For New Hires

New employees must complete an enrollment form within 30 days of hire date to participate in either the Unreimbursed Medical FSA or the Dependent Care FSA.

Eligibility:

- There is a 30-day waiting period for Dependent Care eligibility.
- There is a 60-day waiting period for Unreimbursed Medical Plan eligibility.
- The effective date is the first day of the month following eligibility. If you miss New Hire Enrollment, you must wait for Open Enrollment.
- 10-month State college or university employees with a start date of September 1, 2024 are assumed to have had their waiting period begin July 1, 2024. Therefore, the effective date for both the Unreimbursed Medical Plan and Dependent Care Program is September 1, 2024.
- 10-month State college or university employees with any start date other than September 1, 2024 follow the same 30- and 60-day waiting periods as outlined previously for all other employees.

For Open Enrollment

All open enrollment requests for Plan Year 2025 must be submitted by October 31, 2024.

Ways to enroll:

- On the web at **HorizonBlue.com/enrollfsa** (ONLY available during Open Enrollment period)
- Call **1-866-999-3531** to have an Enrollment Form mailed to you
- Complete an Enrollment Form and fax to: **1-866-231-0214**
- Send via secure email only to: Horizon*MyWay*.Documents@Hellofurther.com
- Mail to:
  Horizon *MyWay*
  P.O. Box 14836
  Lexington, KY 40511

For more information, visit **HorizonBlue.com/enrollfsa** or contact Customer Service at **1-888-215-0025**, Monday through Friday, from 8 a.m. to 9 p.m., ET.

FSA Initial Election Year Example:

Date of employment:	7/01/24
Enrollment form submitted:	7/31/24 (last day to enroll)
Election:	$2,500 Medical Expense Plan $5,000 Dependent Care Plan
Effective date:	10/1/24 Medical Expense Plan - must incur expenses 10/1/24 - 3/15/25 9/1/24 Dependent Care - must incur expenses 9/1/24 - 3/15/25
Medical Plan payroll deductions:	$2,500/6 pay periods = $416.66 per pay period

Note: Entire Medical election of $2,500 is available for use on 10/01/2024. Dependent Care will only be available after payroll deduction has posted to your Dependent Care FSA account.

	Medical	Dependent	Total Payroll Deduction
9/13/24	$0.00	$625.00	$625.00
9/27/24	$0.00	$625.00	$625.00
10/11/24	$416.66	$625.00	$1041.66
10/25/24	$416.66	$625.00	$1041.66
11/08/24	$416.66	$625.00	$1041.66
11/22/24	$416.66	$625.00	$1041.66
12/06/24	$416.66	$625.00	$1041.66
12/20/24	$416.66	$625.00	$1041.66

Enrollment at a Glance

Important Dates to Remember

	Name	Dates	Activities
2024	Plan Year 2024	January 1, 2024 through December 31, 2024	Use your Horizon *MyWay* Visa Debit Card or file a paper claim for all your Plan Year 2024 transactions.
	Grace Period for Plan Year 2024	January 1, 2025 through March 15, 2025	Participants may incur Plan Year 2024 expenses during these limited dates in calendar year 2025 and pay for them with Plan Year 2024 fund balance. First in/First out: All claims/card transactions submitted during the Plan Year 2024 Grace Period will be paid out of remaining Plan Year 2024 balance until exhausted.
	Run Out Period for Plan Year 2024	January 1, 2025 through April 30, 2025	Last chance to submit reimbursement requests for Plan Year 2024
	Open Enrollment for Plan Year 2025	October 1, 2024 through October 31, 2024	All new participants must enroll and continuing participants must re-enroll each year.
2025	Plan Year 2025	January 1, 2025 through December 31, 2025	Use your Horizon *MyWay* Visa Debit Card or file a paper claim for all your Plan Year 2025 transactions.
	Grace Period for Plan Year 2025	January 1, 2026 through March 15, 2026	Participants may incur Plan Year 2025 expenses during these limited dates in calendar year 2026 and pay for them with Plan Year 2025 fund balance. First in/First out: All claims/card transactions submitted during the Plan Year 2025 Grace Period will be paid out of remaining Plan Year 2025 balance until exhausted.
	Run Out Period for Plan Year 2025	January 1, 2026 through April 30, 2026	Last chance to submit reimbursement requests for Plan Year 2025

Additional information about the State of New Jersey Tax$ave Program can be found in the Tax$ave Fact Sheet, which is available on the New Jersey Division of Pension & Benefits website at **nj.gov/treasury/pensions**. Select Publications from the drop-down menu at the top of the page and click Fact Sheets, Tax$ave and then Tax$ave again.

Managing Your FSA

You can manage and check your account through Horizon *MyWay* or over the phone. The online Statement of Activity page details all of your account activity and will even alert you if any card transactions are in need of verification. For the latest information, visit **HorizonBlue.com** and sign in to your account 24/7. In addition to reviewing your most recent account activity, you can:

- Update your account preferences.
- View your transaction and account history for current and past plan years.
- Check the complete list of eligible medical expenses at **HorizonBlue.com/expenses**.
- Check complete list of eligible dependent care expense at **HorizonBlue.com/dependentcare**.
- Order additional Horizon *MyWay* Visa Debit Cards for your family.
- Manage your account while on the go.

FSA eligibility

Unreimbursed Medical and Dependent Care FSAs are available to State employees through the State Employees Tax Savings Program, Tax$ave, a benefit program available under Section 125 of the Federal Internal Revenue Code.

An eligible employee is any employee of the State, a State college or university or other State agency who is eligible to participate in the State Health Benefits Program, except those part-time employees made eligible under P.L. 2003, c. 172.

Additional information about Tax$ave and the State Health Benefits Program is available from your employer or by contacting the New Jersey Division of Pensions & Benefits.

Your Unreimbursed Medical FSA may be used to reimburse eligible expenses incurred by yourself, your spouse, your qualifying child or adult child or your qualifying relative. You may use your Dependent Care FSA to receive reimbursement for eligible dependent care expenses for qualifying individuals under age 13, for services such as babysitting, after-school care and summer day camp; eligibility ends on the child's 13th birthday.

There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish an Unreimbursed Medical FSA. Only the custodial parent of divorced or legally separated parents can be reimbursed using the Dependent Care FSA.

Civil union and domestic partnerships

The Internal Revenue Service (IRS) recognizes a marriage of same-sex spouses for federal tax purposes, including the tax saving benefits available through Tax$ave. The IRS does not recognize New Jersey civil union partners or same-sex domestic partners as dependents for tax purposes in the same way it recognizes a spouse or the dependent children of an employee. As a result, a civil union partner or same-sex domestic partner must be able to qualify as a "tax dependent" of the employee for federal tax filing purposes – under Internal Revenue Code Section 152 – before an out-of-pocket medical expense incurred by the partner can be reimbursed under the Unreimbursed Medical FSA or Dependent Care FSA. The same applies to receiving the benefit of paying premiums on a pre-tax basis.

How does termination or leave affect my FSA?

Termination of FSA benefits typically occurs on the last day of the month in which employment is terminated unless the participant enrolls in COBRA for FSA. However, if you terminate employment or go on unpaid leave, your eligibility for either or both FSAs may change. While your Dependent Care FSA cannot be continued following termination or the start of unpaid leave, you may be able to change or continue your Unreimbursed Medical FSA election. To begin the process for this change or to continue coverage, contact Customer Service within 30 days of the event by calling 1-888-215-0025.

Specific guidelines about your employer's termination and leave policies can be obtained from your Plan Administrator. In addition, the Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave. Please contact your Plan Administrator for further information:

Ricardo Arce
Plan Administrator, Tax$ave
N.J. Division of Pensions & Benefits
P.O. Box 295 Trenton
NJ 08625-0295
Email: DPB.Tax$ave@treas.nj.gov

Available Funds and Contributions

FSA Fund Availability

"Use-It-Or-Lose-It" Rule
Be conservative in estimating your annual contribution since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year. This is based on the Use-It-Or-Lose-It Rule for Section 125 Cafeteria Plans, including FSAs.

For Unreimbursed Medical FSA
The maximum annual amount of reimbursement for eligible health care expenses is available throughout your period of coverage, so you don't have to wait for the cash to accumulate in your account.

For Dependent Care FSA
The funds available to you depend on the actual funds in your account. Unlike an Unreimbursed Medical FSA, the entire maximum annual amount is not available until after your payroll deductions are received.

Example: A participant's bi-weekly Dependent Care FSA contribution is $400 and they pay their day care provider $500 every two weeks. At the time the participant submits their claim, they have $400 in their account. The claim will be processed and reimburse the participant $400. When the participant's next contribution is received, an additional $100 will be reimbursed to the participant, without them having to complete an additional claim form.

Example: Child attends summer camp and cost for camp is $3,000. At beginning of the plan year an election of $3,000 was made, each payroll deduction is $115.38 (based on 26 pay cycles). In July, you file a dependent care claim in the amount of $3000. Your year-to-date contributions are $1,615.32. A claim will pay out for $1,615.32 and subsequent claim payments will be made in the amount of $115.38 on each pay date, until the full amount of the $3,000 claim pays out.

Claim payment is based on payroll deductions received, not on elected contribution.

Annual Contribution Limits

For Unreimbursed Medical FSA per Employee:

Minimum annual deposit: $100

Maximum annual deposit: $2,500

For Dependent Care FSA per Household:

Minimum annual deposit: $250

The maximum contribution depends on your tax filing status:

Tax Filing Status	Maximum Annual Deposit
Married and filing separately	$2,500
Single and head of household	$5,000
Married and filing jointly	$5,000
You or your spouse earns less than $5,000 a year	Equal to the lower of the two incomes
Your spouse is a full-time student or incapable of self-care	$3,000 per year for one dependent $5,000 per year for two or more dependents

FSA Expenses

Use your FSA to save on hundreds of products and services for you and your family. Eligible expenses are defined by the IRS and your employer.

Unreimbursed Medical FSA

An Unreimbursed Medical FSA is used to pay for eligible medical expenses which aren't covered by your insurance or other plan. These expenses can be incurred by yourself, your spouse or a qualifying child or relative.

Typical FSA-Eligible Medical Expenses

- **Dental services:** Crowns/bridges, dental implants, dentures, teeth cleaning
- **Vision services:** Contact lenses, eye exams, glasses, prescription sunglasses
- **Insurance-related items:** Copays, deductibles, medical pre-existing conditions
- **Lab exams/tests**: Blood tests, CT scans, EKGs, MRIs
- **Prescription medications**
- **Over-the-counter (OTC) medications:** Allergy/sinus medications, aspirin, cough/cold/flu medicines
- **Obstetric services**: Lamaze, lactation consultant services
- **Other medical treatments/procedures:** Dialysis, acupuncture, hearing exams
- **Other practitioners:** Allergist, chiropractor, nurse practitioner
- **Other medical equipment supplies/services:** Blood sugar test kits/supplies, insulin, denture adhesives, rubbing alcohol, thermometers

Access a full list of eligible medical expenses at **HorizonBlue.com/expenses.**

FSA Savings Example*

By using an FSA to pay for anticipated expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of $491.25 in this example!

	With FSA	Without FSA
Annual Gross Income	$31,000.00	$31,000.00
FSA Deposit for Eligible Expenses	- 2,500.00	- 0.00
Taxable Gross Income	$28,500.00	$31,000.00
Federal, Social Security Taxes	- 5,600.25	- 6,091.50
Annual Net Income	$22,899.75	$24,908.50
Cost of Eligible Expenses	- 0.00	- 2,500.00
Spendable Income	$22,899.75	$22,408.50

*Based upon a 19.65% graduated tax rate (12% federal and 7.65% Social Security, married with zero allowances) calculated on a calendar year.

Dependent Care FSA

The Dependent Care FSA is a great way to pay for eligible dependent care expenses incurred while you work: after-school care, summer day camp, babysitting fees, day care services, nursery school and preschool. Eligible dependents include:

- Children under 13
- A spouse/qualifying child who is physically or mentally unable to care for themself
- An adult you can claim as a dependent on your tax return who is physically or mentally unable to take care of themself

Typical FSA-Eligible Dependent Care Expenses

- Before and after-school care
- Babysitting and nanny expenses. Can include paying an older sibling or other family member to watch a child under age 13 after school or any time the participant is working or traveling to/from work, but must obtain social security number from caregiver to document expense.
- Day care, nursery school and preschool
- Summer day camp. For overnight camp, participant must acquire documentation from the camp breaking out the cost of day and night portions. The night portion is not eligible for FSA reimbursement.
- Care for your spouse or a relative who is physically or mentally incapable of self-care and lives in your home. Must have lived with you for half the year and is your dependent.

Access a full list of eligible dependent care expenses at **HorizonBlue.com/dependentcare**.

Typical FSA-Ineligible Expenses

(These claims will be denied)

For Medical Expense FSA:

- Insurance premiums
- Vision warranties and service contracts
- Cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition

For Dependent Care FSA:

- Night portion of overnight camp
- Kindergarten tuition
- Lunches and food items
- Education programs
- Activity fees
- Pre-paid day care or expenses paid in advance

Required Documentation

Over-the-Counter (OTC) Expenses

- The IRS requires that a merchant-generated receipt or statement be retained as supporting documentation for each item purchased. The receipt or statement must include the date of purchase, name of the OTC item and the amount paid (not handwritten).
- The item must be purchased in a reasonable quantity with the intent that it will be used within the current calendar year.
- OTC expenses that have both a cosmetic/general health use and a medical use will require a Letter of Medical Necessity (F9090) signed by your health care provider.

Vision Services

- If you have a vision benefit plan, the provider receipt must indicate the vision benefit or discount (not handwritten or an estimate).
- If the expense is covered by your insurance plan, include a copy of the Explanation of Benefits (EOB) from your vision benefit.

Dental Services

- The documentation submitted with your claim must indicate when the service was received, not billed.
- Balance forward or account payment statements will not be accepted as documentation.
- If the provider statement indicates an estimate of coverage submitted to the dental plan or payment pending, include a copy of the Explanation of Benefits (EOB) from your dental plan.

Orthodontia Services

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your Unreimbursed Medical FSA if the proper documentation is provided. For fastest processing, submit a claim along with:

- A written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service was incurred, the name of the eligible individual receiving the service and the cost for the service
- A copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time)

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call Customer Service at **1-888-215-0025.**

You must keep your documentation for a minimum of one year to submit upon request.

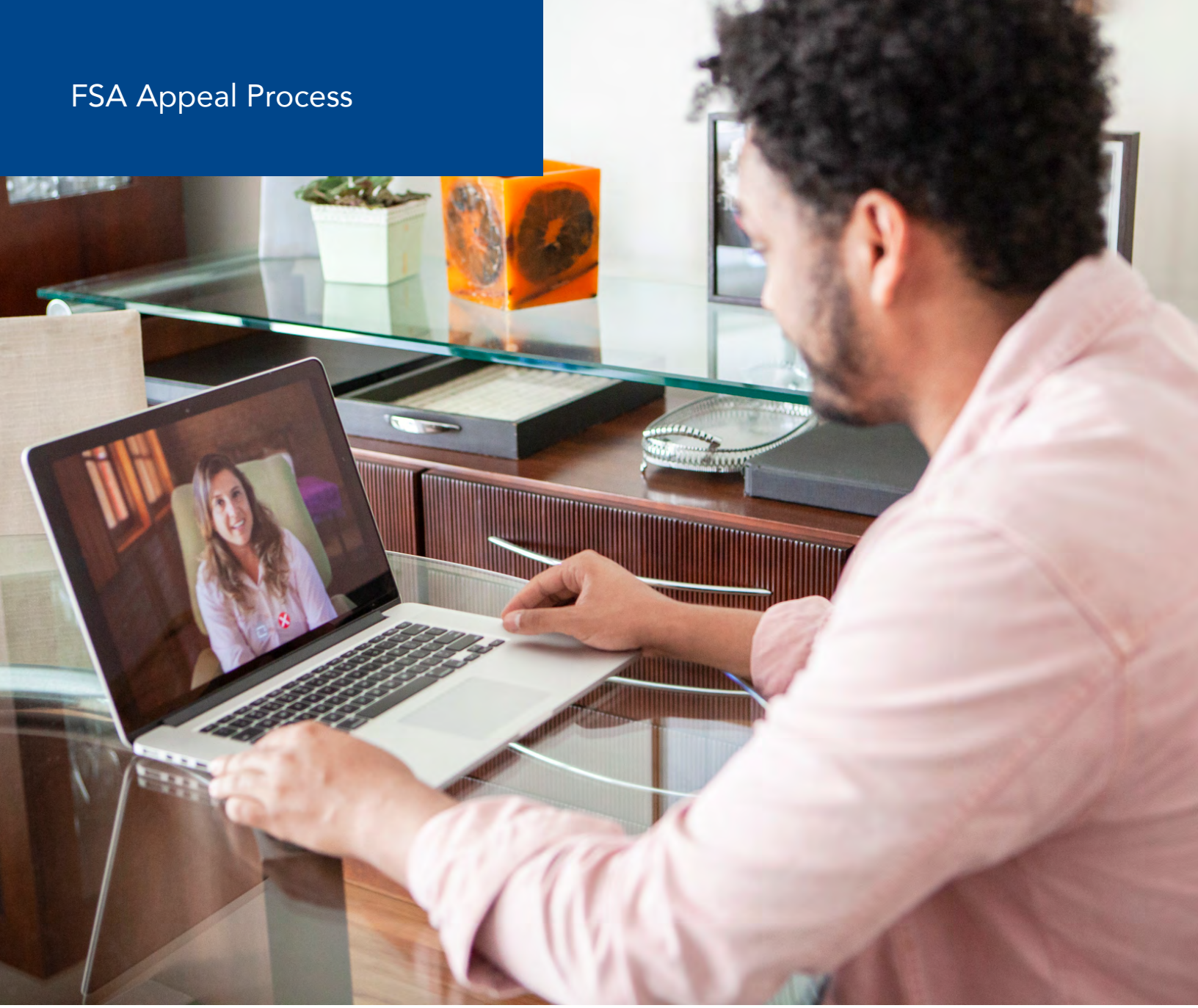
Reimbursing FSA Account

When you use your FSA debit card to pay for ineligible medical expenses, you will be responsible for reimbursing your FSA account. Example: A dentist visit where full payment is required at the time of service. Payment is made with your FSA debit card. Once your claim is processed and paid by your medical insurance carrier, the portion that was paid by your insurance and not eligible under FSA-allowed expenses needs to be refunded back to your Unreimbursed Medical FSA.

Submit your payment to:
PO Box 14836
Lexington, KY 40511

For the most up-to-date information, please visit **irs.gov/publications/p969** for rules regarding Flexible Spending Arrangements and **irs.gov/pub/irs-pdf/p502.pdf** for Qualifying Medical Expenses.

FSA Appeal Process



Appeal Process

If you have a request for a mid-plan year election change, FSA reimbursement claim or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to:

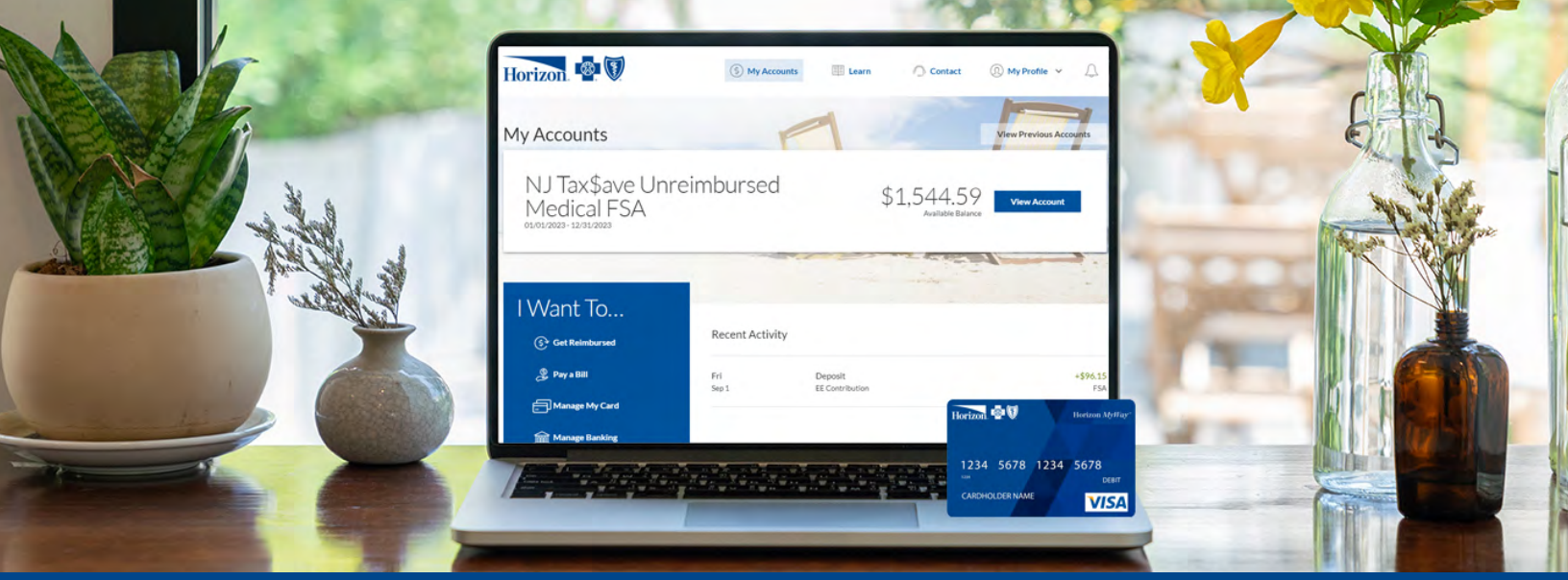
Ricardo Arce
Plan Administrator, Tax$ave
N.J. Division of Pensions & Benefits
P.O. Box 295
Trenton, NJ 08625-0295

Email: DPB.Tax$ave@treas.nj.gov

Your appeal must include the date of the services, why you think your request should not have been denied and any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal and supporting documentation will be reviewed upon receipt. You will be notified of the results within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

NOTE: Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and the IRS' regulations governing the plan.



Using Your FSA Dollars

When you pay for an eligible health care or dependent care expense, it makes sense to put your account to work right away. Horizon *MyWay* gives you several convenient reimbursement options.

Follow these steps to submit documentation for your expense:

1. Sign in to HorizonBlue.com and click My Accounts. In the top right corner, click Horizon *MyWay*, then go to your account.
2. A notification is displayed on your account home page when there's a claim that requires documentation. Click Go to Claims Summary in the notification.
3. Select the appropriate account from the Account drop-down menu.
4. In the Debit Card Claims Requiring Documentation section, click the Needs Receipt link next to the claim for which you want to provide documentation.
5. Click Upload Documentation.
6. Click Choose File.
7. Select the file you wish to upload and click Open.
8. Click Continue.
9. Review your request to make sure it's correct.
10. Click Submit.

Or, to submit a paper claim by email, fax or mail:

Click on Print Form and fill out the form. Choose one of these options:

- Email to **Horizon*MyWay*.Documents@HelloFurther.com**
- Fax to **1-866-231-0214**
- Mail to **Horizon *MyWay*, P.O. Box 14836, Lexington, KY 405114**

Important FSA Notes

- You have a four-month run-out period from January 1, 2026 through April 30, 2026 after your plan year ends to submit reimbursement requests for all eligible FSA expenses incurred during your plan year.
- You may continue using your Unreimbursed Medical FSA and/or Dependent Care FSA during the grace period, which is two and a half months after the end of your plan year (January 1, 2026 through March 15, 2026).
- Claims will be processed in the order in which they are received by Horizon *MyWay*. Your account(s) will be debited accordingly. This is true for both paper claims and Horizon *MyWay* Visa Debit Card transactions. Any funds remaining in an appropriate account from the prior plan year will be used first until exhausted. All subsequent claims will be deducted from your new plan year account balance.

Your Horizon *MyWay* Visa Debit Card

With the convenient Horizon *MyWay* Visa Debit Card, you can pay for health care expenses and access your account whenever and wherever you need to.

No waiting. No claims to file.
Simply use your card when you want to pay for eligible health care expenses. Money for the expense is transferred directly from your account to your provider or merchant. You don't have to pay cash up front, submit a claim form or wait to be reimbursed.

Easily monitor your account
You can check account balances, view transactions and use our online planning tools at **HorizonBlue.com**.

Ways to use your card:

- You can use your debit card to pay your portion of eligible medical, dental, prescription and vision expenses.
- You can use your debit card at provider offices.
- For medical claims usually processed by your health plan, simply write your debit card number on your doctor's bill and return it to the provider, or call your provider with your debit card number.

If further documentation is requested
The Horizon *MyWay* Visa Debit Card can be used at all authorized medical providers. Most providers supply products and services that are known to be eligible medical products and services. When you buy a product or service from a provider in this category, medical claims are approved immediately and don't require any further documentation.

Some providers sell both eligible and ineligible products and services (e.g., dermatology and counseling services). When using your debit card with this type of provider, the debit card is accepted when you pay, but Horizon *MyWay* may request more information about the expense.

Visit **HorizonBlue.com/expenses** for a full list of eligible medical expenses.

Make debit transactions even easier with Digital Pay.

Digital Pay allows you to add your Horizon *MyWay* Visa Debit Card to Apple Pay®, Google Pay® and Samsung Pay® digital wallets. It eliminates the need to carry a physical card. Instead, you can pay for qualified purchases or expenses using your mobile wallet, giving you added convenience and security. To learn more, visit **Digital Pay** online.

A Note About Debit Cards

If you are new to the Horizon *MyWay* FSA for 2025 or your current debit card is set to expire, you will receive a new debit card.

FSA Worksheet

This worksheet can help you plan your Horizon *MyWay* FSA so you can get the most of our your benefits while keeping your out-of-pocket costs low. Keep in mind that any unused funds at the end of the plan year or grace period will be returned to your employer, so it's important to estimate how much you should set aside for your FSA.

Medical Expense Worksheet

Estimate your medical expenses (Tax$ave allows a maximum contribution of $2,500 per individual)	
Out-of-pocket medical expenses	
• Out-of-pocket costs up to your deductible, along with copays or coinsurance	$
• Prescription drugs	$
• Over-the-counter medications	$
• Medical supplies (e.g., insulin and diabetic supplies)	$
Out-of-pocket dental, vision and hearing expenses	
• Checkups and cleanings	$
• Fillings, X-rays, crowns, bridges, dentures, inlays	$
• Orthodontia	$
• Eye exams	$
• Prescription eyewear – glasses, contact lenses and cleaning solution	$
• Corrective eye surgery – LASIK, cataract, etc.	$
• Hearing aids and batteries	$
Estimated total out-of-pocket health care expenses	**$**

Estimate your annual tax savings from a Medical FSA	
Enter your estimated total out-of-pocket health care expenses from above	$
Enter your tax rate[1] and multiply	x %
This is your estimated annual tax savings by using a Medical FSA	**$**

Dependent Care Worksheet

Estimate your dependent care expenses (The IRS allows a maximum contribution of $5,000)	
Dependent care expenses	
• Licensed day care, nursery school or preschool	$
• Before and after-school care[2]	$
• Summer day camps (overnight camp participant must acquire documentation from camp breaking out the cost of day camp; the overnight portion is not eligible for FSA reimbursement)[2]	
• Eldercare[3]	$
• Other:	$
Estimated total out-of-pocket dependent care expenses	**$**

Estimate your annual tax savings from a Dependent Care FSA	
Enter your estimated total out-of-pocket health care expenses from above	$
Enter your tax rate[1] and multiply	x %
This is your estimated annual tax savings by using a Dependent Care FSA	**$**

1. Depends on your tax filing status. Please consult your tax advisor with questions. 2. Before and after-school care by a licensed provider is considered childcare by the IRS. Summer day camps also count as childcare. Expenses for the night portion of overnight summer camps and tuition for kindergarten and first grade (or higher) generally do not qualify for dependent care credit. 3. When an elderly or disabled parent is considered a dependent on your taxes and you are covering more than 50% of their maintenance costs.

Election Change Events

At the beginning of the plan year, you elect a dollar amount to contribute to your account. This election can only be changed if you experience a life change that qualifies as an Election Change Event. This type of qualifying event may provide the opportunity to enroll, stop participation in or change the amount of your election outside of the open enrollment period.

After experiencing an Election Change Event, you have 30 days from the date of the event to contact your employer and change your election amount.

There are two restrictions to changes made as a result of an Election Change Event:

1. The change must correspond with the type of event (e.g., getting married increases the election amount; divorce decreases the amount).
2. The new dollar amount can't be less than the amount that you've already contributed or been reimbursed in the current plan year.

Events that allow you to change your Medical FSA election

Events that increase election

- Marriage
- Birth or adoption of child
- Child who gains dependent status

Events that decrease election

- Divorce
- Child no longer qualifies as a dependent
- Death of dependent

Events that increase or decrease election

- Your spouse or dependent starts or ends a job
- Your spouse or dependent has an increase or decrease in work hours
- You gain or lose eligibility for employer-sponsored health insurance or health flexible spending coverage
- You receive a court order requiring you or another person to provide health coverage for an eligible child
- You, your spouse or dependent gain or lose Medicare or Medicaid coverage
- You go on or return from FMLA leave as allowed by FMLA requirements and plan rules

Events that allow you to change your Dependent Care election

Events that increase election

- Marriage
- Birth or adoption of child
- Child who gains dependent status

Events that decrease election

- Divorce
- Child no longer qualifies as a dependent
- Death of dependent

Events that increase or decrease election

- Reduction/increase in hours of employment by employee, spouse, household member or dependent; this includes going from full-time to part-time, strike or lockout
- Age of dependent ceasing eligibility requirement
- Moving out of state or existing coverage area
- Enrollment error; don't have any qualifying dependents
- Birth of child or adoption within 30 days of dependent care event
- Change in child care provider or change in child care cost within 30 days of the event (i.e. hire a nanny)

To request a change in your election, visit **nj.gov/treasury/pensions/pension-active-other.shtml**, click on Tax$ave & Commuter Tax$ave and download the Horizon *MyWay* Change In Status Form. Fill out this form and submit as instructed.

COBRA

Federal law requires that most group health plans, including Medical Flexible Spending Accounts (Unreimbursed Medical FSAs), give employees and their families the opportunity to continue their health care coverage when there is a qualifying event that would result in a loss of coverage under an employer's plan. Qualified beneficiaries can include the employee covered under the FSA, a covered employee's spouse and dependent children of the covered employee. Each qualified beneficiary who elects continuation coverage will have the same rights under the plan as other participants or beneficiaries covered under the plan. COBRA is only available for Unreimbursed Medical FSAs. The Tax$ave Plan is an "excepted" plan, and therefore offers only a limited COBRA option. One of the features of a limited COBRA option is that it is only offered for the remainder of the plan year and not the full 18 months of COBRA. Also, limited COBRA is only offered if the account is underspent. This occurs when the contributions paid to date are more than claims paid out. Be aware that an account is considered overspent (ineligible to participate in COBRA) if the contributions paid to date are less than the claims paid out.

COBRA Election Example

Arnold's FSA annual election is $1,000 for the current plan year. He breaks with employment in July. He has paid in $500 in payroll (pre-tax) contributions, but has received only $200 in reimbursement. This $300 balance ($500 contribution - $200 claims) is considered underspent and allows Arnold to participate in COBRA. If Arnold was overspent, he could not participate in COBRA.

Coverage will terminate on the date that employment ends. If Arnold doesn't sign up for COBRA, the $300 will be forfeited (unless he can submit $300 of claims incurred prior to termination).

Arnold chooses to participate in COBRA since he has no qualified expenses that he can submit against the $300 balance. He will complete and return the COBRA Election Form and send in the first COBRA payment. Once his first payment has been received, he is eligible to submit claims that were incurred after his break in employment. Arnold can continue to incur and submit claims until he has exhausted his original election for Unreimbursed Medical FSA benefit of $1,000.

Arnold's form W-2 will show $500 Section 125 Medical Expense Contributions.

Note: Dependent care election is not eligible for continuation coverage under COBRA.

Election for Continuation Coverage

The COBRA Notice and Election Form will be mailed to each eligible participant by the company administering the N.J. State Tax$ave Unreimbursed Medical FSA. You have 60 days from the date of receipt of the COBRA Notice or the last date of coverage, whichever is later, to elect to continue coverage by completing and submitting the COBRA Election Form.

First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the COBRA Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election (this is the date the Election Notice is postmarked, if mailed). If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under the Plan. Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact Horizon *MyWay* to confirm the correct amount of your first payment. Instructions for sending your first payment for continuation coverage will be shown on your COBRA Notice and Election Form. All COBRA payments are made with after-tax dollars, which negates the tax savings advantage aspect of the FSA plan. COBRA is not a tax savings plan and is only intended to prevent participants from forfeiting contributions made prior to termination.

Periodic Payments for Continuation Coverage

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on the first day of each month. Instructions for sending your periodic payments for continuation coverage will be shown on your COBRA Notice and Election Form.

Grace Periods for Periodic Payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period, as long as payment for that coverage period is made before the end of the grace period for that payment. If you pay a periodic payment later than its due date but during its grace period, your coverage under the Plan will be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

For more information about your COBRA rights, please contact Horizon *MyWay* at **1-888-215-0025**

Beyond Your Benefits

Deferred Compensation (457 Plan)

Participating in the Flexible Benefits Plan may affect your maximum annual contribution to the 457 plan. That is, Flexible Benefits Plan contributions reduce includible compensation* from which the maximum deferrable amount is computed. You should contact the Deferred Compensation vendor or the Tax Deferred Annuity (TDA) provider about the specific effect of the Flexible Benefits Plan.

*Includible compensation is the gross income shown on your W-2 form

Notice of Administrator's Capacity

This notice advises FSA participants of the identity and relationship between your employer and its Contract Administrator, Horizon *MyWay*. We are not an insurance company. We have been authorized by your employer to provide administrative services for the FSA plans offered herein. We will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against us than would otherwise be afforded to you by law.

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the Flexible Benefits Plan generally outweigh the Social Security reduction. Call Customer Service at **1-888-215-0025** for more information or contact your tax advisor.

Have questions? We're here to help.

The Horizon *MyWay* customer service team is available from 8 a.m. to 9 p.m., ET to answer your questions. You can reach our automated service 24 hours a day by calling **1-888-215-0025**. Account information and helpful resources are available at **HorizonBlue.com**.

Horizon Blue Cross Blue Shield of New Jersey (Horizon) is an independent licensee of the Blue Cross Blue Shield Association (BCBSA). The Blue Cross® and Blue Shield® names and symbols are registered marks of the BCBSA. The Horizon® name and symbols and Horizon *MyWay*® are registered marks of Horizon. © 2024 Horizon, Three Penn Plaza East, Newark, New Jersey 07105..

All trademarks, service marks and company names are the property of their respective owners. Further Operations, LLC, is an independent company that supports Horizon in the administration of Reimbursement Accounts. The Horizon MyWay card is issued by The Bancorp Bank, pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank is an independent company offering debit card services and is solely responsible for its products. Apple Inc., Google LLC and Samsung Electronics Co., Ltd. are independent from and not affiliated with Horizon.

Horizon complies with applicable Federal civil rights laws and does not discriminate against nor does it exclude people or treat them differently on the basis of race, color, gender, national origin, age, disability, pregnancy, gender identity, sex, sexual orientation or health status in the administration of the plan, including enrollment and benefit determinations. Spanish (Español): Para ayuda en español, llame al 1-866-660-6528.
Chinese (中文): 如需中文協助, 請致電 1-866-660-6528.

ECNA0022089 (0924)