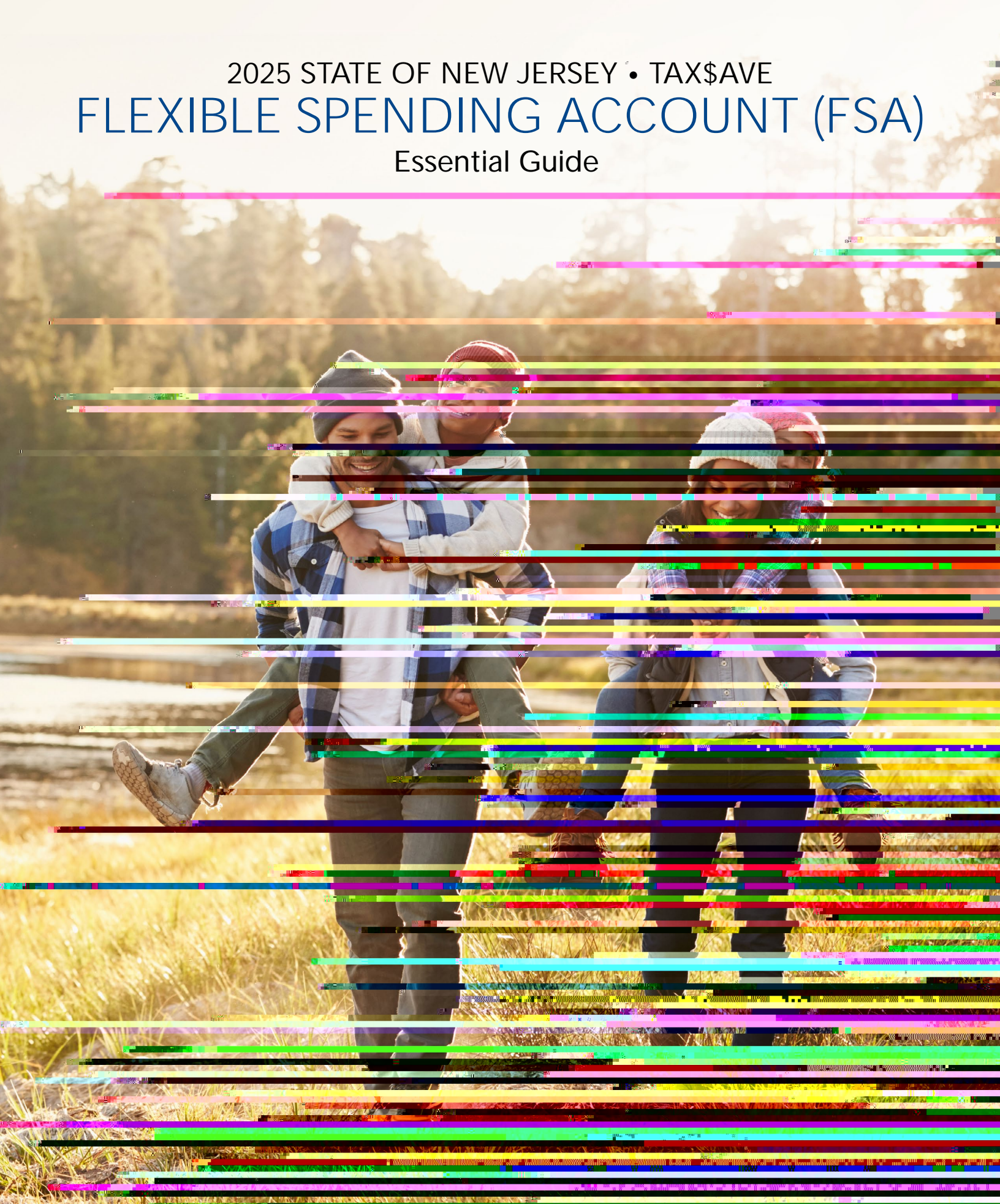


2025 STATE OF NEW JERSEY • TAX\$AVE  
FLEXIBLE SPENDING ACCOUNT (FSA)  
Essential Guide



For more information, visit [HorizonBlue.com](https://www.HorizonBlue.com)





# Welcome to Horizon

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<sup>®</sup>.

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## 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

## 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

# Enrollment at a Glance

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# Managing Your FSA

You can manage and check your account through Horizon or over the phone. The online Statement of Activity page details all of your account activity and will even alert

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# 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.

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.

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:

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

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
- **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](http://HorizonBlue.com/expenses).

### FSA Savings Example\*

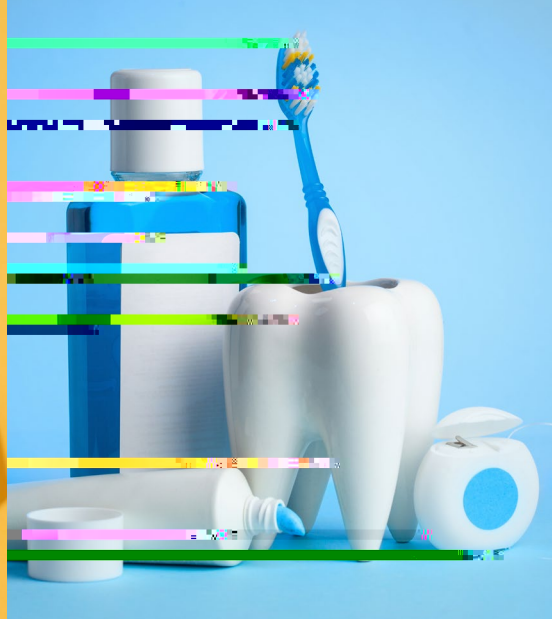
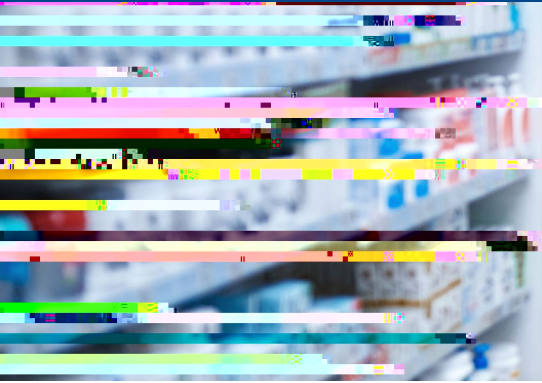
By using an FSA to pay for anticipated expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of \$491.25 in this example!

	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 7.475.238 a)0.9(h



## Required Documentation

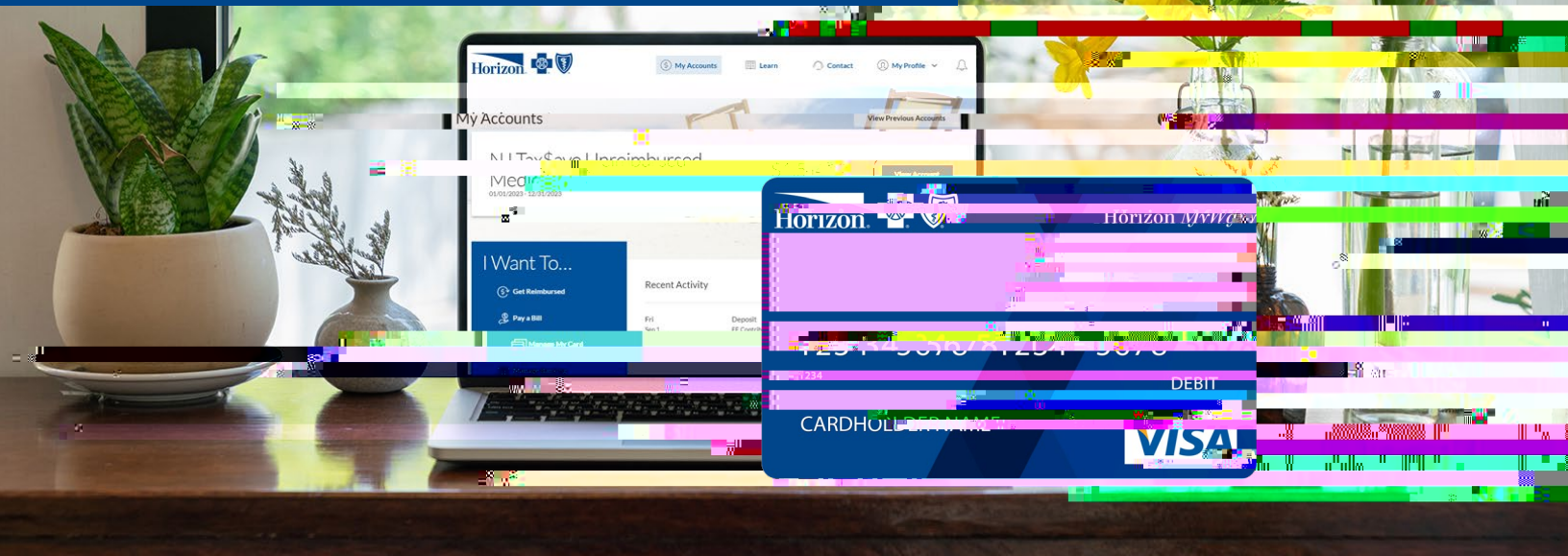


## Over-the-Counter (OTC) Expenses

- The IRS requires that a merchant-generated receipt or statement be retained as supporting documentation for each item purchased. The receipt or statement must







With the convenient Horizon 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](https://HorizonBlue.com).

### Ways to use your card:

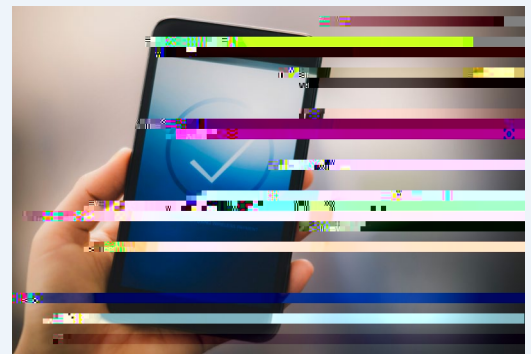
- You can use your debit card to pay your portion of eligible medical, dental, prescription and vision expenses.
- You can use your debit card at provider offices.
- For medical claims usually processed by your health plan, simply write your debit card number on your doctor's bill and return it to the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

### If further documentation is requested

The Horizon 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 may request more information about the expense.

Visit [HorizonBlue.com/expenses](https://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 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 FSA for 2025 or your current debit card is set to expire, you will receive a new debit card.



# 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

# 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

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

he can submit against the \$300 balance. He will complete and return the COBRA

been received, he is eligible to submit claims that were incurred after his break in employment. Arnold can continue to incur



## 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 . 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

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