

2027 STATE OF NEW JERSEY • TAX\$AVE
FLEXIBLE SPENDING ACCOUNT (FSA)
Essential Guide



For more information, visit
HorizonBlue.com





2027 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 pretax benefit account used to pay eligible dependent care services, such as before and after-school care, babysitting, day care/preschool, summer day camp and adult dependent 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, 2026**
- Period of Coverage: **January 1, 2027** through **December 31, 2027**
- Grace Period for Plan Year 2027: **January 1, 2028** through **March 15, 2028**
- Run Out Period for Plan Year 2027: **January 1, 2028** through **April 30, 2028**
- Grace Period for Plan Year 2026: **January 1, 2027** through **March 15, 2027**
- Run Out Period for Plan Year 2026: **January 1, 2027** through **April 30, 2027**
- 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 8 p.m., Eastern Time (ET), to answer your questions. You can reach our automated service 24 hours a day by calling 1-877-765-8811 or email HorizonMyWay@healthaccountservices.com. Account information and helpful resources are available at [HorizonBlue.com](https://www.horizonblue.com).

Lost or stolen card

Contact Customer Service at **1-877-765-8811**, Monday through Friday, from 8 a.m. to 8 p.m., ET.

Inside:

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

Please note: Eligible employees who do not enroll during the Open Enrollment period cannot participate in the program for the upcoming plan year unless they experience a qualifying life event.

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®.

The Tax\$ave program is only 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 Programs (SHBP) with Horizon or Aetna.

With Horizon MyWay, you get 24/7 support:

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

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

Expert assistance from a dedicated team every step of the way

Open Enrollment Reminder

You need to enroll for Plan Year 2027 during Open Enrollment, which is October 1-31, 2026.

Eligible employees who do not enroll during the Open Enrollment period cannot participate in the program for the upcoming plan year unless they experience a qualifying life event.

Have questions or concerns? We're here to help. Call **1-877-765-8811**, Monday through Friday, from 8 a.m. to 8 p.m., ET.

The Horizon MyWay app

The **Horizon MyWay** app offers members a range of tools to manage their health spending and savings accounts.

You can log in to your **Horizon MyWay** account on the app by using the username and password that you set up to access HorizonBlue.com or the Horizon Blue app.

In the app, you can:

- View your account activity
- Submit claims
- Upload receipts and supporting documents

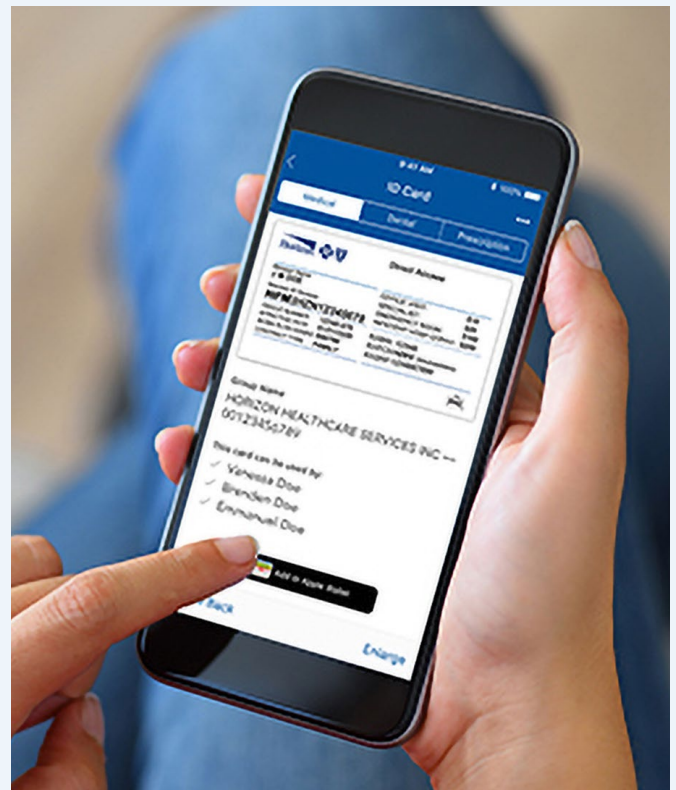
Note: The new Horizon MyWay app became available on July 1, 2026. If you still have the previous version installed on your device, uninstall it before downloading the new app.



Download the free **Horizon MyWay** app by scanning the QR Code or visiting the App Store® or Google Play™.



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



Enrollment at a Glance

For new hires

New employees must submit a paper enrollment form via fax, secure email or mail 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, 2026 are assumed to have had their waiting period begin July 1, 2026. Therefore, the effective date for both the Unreimbursed Medical Plan and Dependent Care Program is September 1, 2026.
- 10-month State college or university employees with any start date other than September 1, 2026 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 2027 must be submitted by October 31, 2026.

Ways to enroll:

- Members currently enrolled for 2026 can log in to their FSA and select the "Enroll Now" button to enroll for the 2027 plan year (ONLY available during open enrollment period).
- Call 1-877-765-8809 and follow the prompts (ONLY available during open enrollment period).
- Download an enrollment form using the link below –or call 1-877-765-8811 to have one mailed to you – and return via one of the three ways below:

nj.gov/treasury/pensions/documents/taxsave/2026/2026-fsa-enrollment-form.pdf

Fax to: 1-833-710-5544

Send via secure email only to:

HorizonMyWay@healthaccountservices.com

Mail to:

Horizon MyWay, P.O. Box 2340, Fargo, ND 58108-2340

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

For more information, contact Customer Service at **1-877-765-8811**, Monday through Friday, from 8 a.m. to 8 p.m., ET.

FSA initial election year example:

Date of employment:	7/01/26
Enrollment form submitted:	7/31/26 (last day to enroll)
Election:	\$2,500 Medical Expense Plan \$5,000 Dependent Care Plan
Effective date:	10/1/26 Medical Expense Plan - must incur expenses 10/1/26 - 3/15/27 9/1/26 Dependent Care - must incur expenses 9/1/26 - 3/15/27
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 10/1/2026. Dependent Care will only be available after payroll deduction has posted to your Dependent Care FSA account.

	Medical	Dependent	Total Payroll Deduction
9/11/26	\$0.00	\$625.00	\$625.00
9/25/26	\$0.00	\$625.00	\$625.00
10/9/26	\$416.66	\$625.00	\$1041.66
10/23/26	\$416.66	\$625.00	\$1041.66
11/6/26	\$416.66	\$625.00	\$1041.66
11/20/26	\$416.66	\$625.00	\$1041.66
12/4/26	\$416.66	\$625.00	\$1041.66
12/18/26	\$416.66	\$625.00	\$1041.66

Enrollment at a Glance



Important dates to remember

	Name	Dates	Activities
2026	Plan Year 2026	January 1, 2026 through December 31, 2026	Use your Horizon MyWay Visa® Debit Card or file a paper claim for all your Plan Year 2026 transactions.
	Grace Period for Plan Year 2026	January 1, 2027 through March 15, 2027	Participants may incur Plan Year 2026 expenses during these limited dates in calendar year 2027 and pay for them with Plan Year 2026 fund balance. First in/First out: All claims/card transactions submitted during the Plan Year 2026 Grace Period will be paid out of remaining Plan Year 2026 balance until exhausted.
	Run Out Period for Plan Year 2026	January 1, 2027 through April 30, 2027	Last chance to submit reimbursement requests for Plan Year 2026.
	Open Enrollment for Plan Year 2027	October 1, 2026 through October 31, 2026	All new participants must enroll and continuing participants must re-enroll each year.
2027	Plan Year 2027	January 1, 2027 through December 31, 2027	Use your Horizon MyWay Visa Debit Card or file a paper claim for all your Plan Year 2027 transactions.
	Grace Period for Plan Year 2027	January 1, 2028 through March 15, 2028	Participants may incur Plan Year 2027 expenses during these limited dates in calendar year 2028 and pay for them with Plan Year 2027 fund balance. First in/First out: All claims/card transactions submitted during the Plan Year 2027 Grace Period will be paid out of remaining Plan Year 2027 balance until exhausted.
	Run Out Period for Plan Year 2027	January 1, 2028 through April 30, 2028	Last chance to submit reimbursement requests for Plan Year 2027.

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

Note: Members enrolled in a high-deductible medical plan (HSA) cannot participate in a Medical FSA. However, members can elect to have a Dependent Care FSA with an HSA.

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](https://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
- Check the complete list of eligible dependent care expenses
- 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 pretax basis.

How does retirement affect my FSA election for plan year?

If you retire during the plan year, you can elect to continue contributing toward your Medical FSA plan by electing COBRA (see page 15). COBRA coverage will continue until the plan year ends on 12/31/2027. You are responsible for making contribution payments. The FSA tax benefit does not apply for contributions through COBRA. If you choose not to elect COBRA, then you can file claims through the date of retirement (up to the contribution amount). You will have 90 days from the date of retirement to file claims. If you do not file claims within the 90 days, the balance in the account will be forfeited to the State.

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 1-877-765-8811.

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](mailto: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 the cost for camp is \$3,000. At the 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: \$3,400

Note: For 2027, the Unreimbursed Medical FSA election limit is currently set at \$3,400, pending official IRS guidance. Once announced, the election limit will adjust to match the final IRS limit.

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

Note: In order to comply with IRS non-discrimination testing requirements for the entire plan, contributions of highly compensated individuals (currently set by the IRS as earning \$165,000 or more) may be adjusted downward by the State during Plan Year 2027 to meet IRS requirements.

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

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: before and after-school care, babysitting, day care/preschool, summer day camp and adult dependent care. Eligible dependents include:

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

Typical FSA-eligible dependent care expenses

- Before and after-school care
- Babysitting and nanny expenses. Can include paying an older sibling (aged 19 or older) or other family member (not spouse, nor parent of child, nor your tax dependent) 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.

Note: Funds can be used for all of the above.

Typical FSA-ineligible expenses

(These claims will be denied)

For Medical 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 of service, date incurred, name of the eligible individual receiving the service and 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 **1-877-765-8811**.

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 along with your denial letter to:
P.O. Box 2340
Fargo, ND 58108-2340

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:

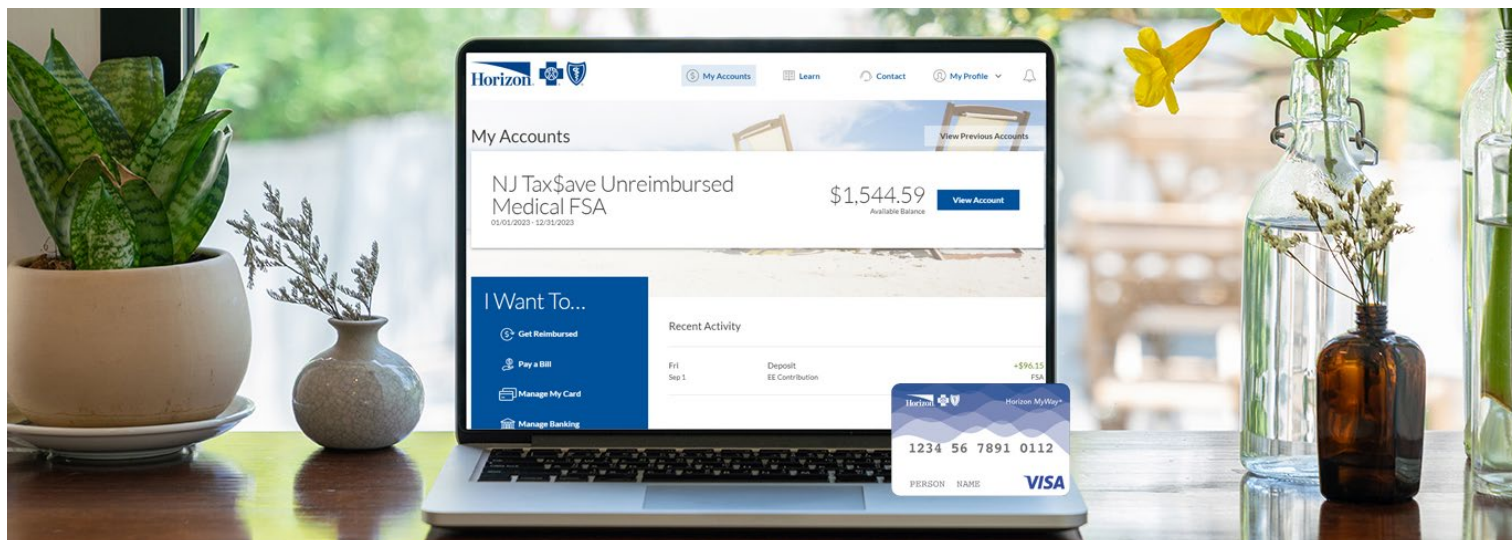
Ricardo Arce
Plan Administrator, Tax\$ave
N.J. Division of Pensions & Benefits
P.O. Box 295
Trenton, NJ 08625-0295

Email: [DPB.Tax\\$ave@treas.nj.gov](mailto: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 a claim:

1. Go to HorizonBlue.com.
2. Click **MEMBER SIGN IN** and sign into your account.
3. On the welcome page, under **DASHBOARD**, click on **Horizon MyWay**.
4. Scroll down and select **View & Manage Your Account**. This brings you to your FSA home page.
5. Under **Accounts – I Want To**: select **Reimburse Myself or Send Payment**. Follow steps to enter claim information.

To submit a paper claim by email, fax or mail:

Click on **Print Form** and fill out the form.

HorizonBlue.com/members/forms/search-plan-type/spending-savings-account-forms

Follow these steps to submit documentation online for your expense:

1. Follow steps 1-5 to the left.
2. Under Create Reimbursement: select from **Pay From**, and **Pay To** drop downs, and then select **Next**.
3. Select **Upload Valid Documentation**. Browse your computer or select an image from your Receipt Organizer in the mobile app. Select **Next**.
4. Optional: For Unreimbursed Medical FSA claims only, you can choose the **Auto-Analyze My Claims** feature. The system will verify that all necessary information is on your selected attachment and automatically populate the claims filing fields.
5. You will receive an alert if the receipt does not have all of the required information. Correcting the issue promptly should speed up your reimbursement.
6. Once all of the information is correctly filled in, choose the recipient and then select **Next**.
7. On the Accounts/Transaction Summary page, select **Submit**. You should then see Successfully Submitted.

Important FSA notes

- You have a four-month run-out period from January 1, 2028 through April 30, 2028 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, 2028 through March 15, 2028).
- 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.

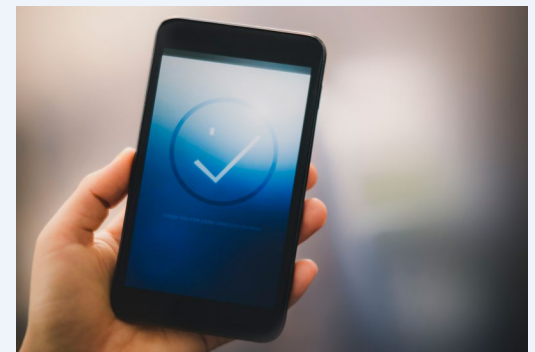
Ways to use your card:

- 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.



Add your Horizon MyWay Visa Debit Card to your mobile wallet.

You can conveniently add your Horizon MyWay Visa® Debit Card to your mobile wallet, including Apple Pay®, Google Pay® and Samsung Pay®. Once added, your debit card can be used to securely pay for eligible expenses wherever mobile wallet payments are accepted. This provides a fast, easy and contactless way to access your Horizon MyWay funds while maintaining the same security protections offered by digital wallet technology.

A note about debit cards

If you are new to the Horizon MyWay FSA for 2027 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 \$3,400 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		
• Before and after-school care ²	\$	
• Licensed day care, nursery school or preschool	\$	
• 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.

Qualifying Life 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 a life 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 a qualifying life event, you have 30 days from the date of the event to submit a completed change in status form to Horizon and change your election amount.

There are two restrictions to changes made as a result of a life 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
- FSA nondiscrimination testing of a spouse who is not a State of New Jersey employee

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)
- Instances where an employee was allowed to enroll in or change the election because spouse's employer amended the election amount after FSA nondiscrimination testing

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.

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 \$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 **1-877-765-8811**.

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 **1-877-765-8811** 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 8 p.m., ET to answer your questions. You can reach our automated service 24 hours a day by calling **1-877-765-8811**. Account information and helpful resources are available at HorizonBlue.com.

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