The annual New Jersey State Employees Tax Savings Program (Tax$ave) Open Enrollment for Plan Year 2022 begins October 1 and ends October 31, 2021.

**ABOUT TAX$AVE**

A benefit program available under Section 125 of the Federal Internal Revenue Code (IRC), Tax$ave offers eligible employees the opportunity to increase available income by reducing federal tax liability. Tax$ave consists of three components:

1. The Premium Option Plan (POP);

2. The Unreimbursed Medical Flexible Spending Account; and

3. The Dependent Care Flexible Spending Account.

Each year eligible employees should review their personal financial circumstances and decide if they wish to participate or not. Open Enrollment offers employees the opportunity to conduct this review and then act on their decision.

**PREMIUM OPTION PLAN**

The Premium Option Plan (POP) saves employees money by paying health and dental premiums from pre-tax dollars and reducing their tax liability. Enrollment in the POP is automatic for all eligible employees. If an employee does not wish to take advantage of the POP in 2022 (and therefore pay more in federal, Social Security, and Medicare taxes), he or she should file a *Declination of Premium Option Plan (POP)* form.

**FLEXIBLE SPENDING ACCOUNTS**

The Unreimbursed Medical and/or Dependent Care Flexible Spending Accounts (FSA) allow employees to set aside money to pay for out-of-pocket medical, dental, and dependent care expenses while saving on taxes because the money contributed to the account is free from federal income, Social Security, and Medicare taxes, and remains tax-free when an employee receives it. Horizon *MyWay* will administer the Tax$ave Unreimbursed Medical and Dependent Care FSAs for the NJDPB.

Prior participation in a Tax$ave FSA in 2021 does not carry over automatically into 2022. Employees must enroll with Horizon *MyWay* during Open Enrollment to participate in an FSA in 2022.

**Some of the benefits of FSA participation include:**

• **$2,500 Medical FSA maximum and $5,000 Dependent Care FSA maximum.** For the Tax$ave 2022 Plan Year, the maximum annual allowance that can be set aside for an Unreimbursed Medical FSA is $2,500 and the maximum annual allowance that can be set aside for a Dependent Care FSA is $5,000**.** Employees may save federal income, Medicare, and Social Security taxes on up to $7,500 of combined unreimbursed medical and dependent care expenses. It makes sense to enroll and use a Tax$ave FSA plan when paying for doctor and prescription copayments, health plan deductibles, orthodontics, eyeglasses, Lasik surgery, uncovered dental fees, certain over-the-counter (OTC) items, or dependent care.

• **Medical FSA eligibility includes adult children until age 26.** Qualified out-of-pocket medical expenses incurred by eligible adult children can be reimbursed through the Unreimbursed Medical FSA. Coverage applies until the end of the year in which a child turns age 26, regardless of the child’s marital or student status.

• **Grace period extension for eligible expenses and extended claim filing period.** Employees enrolled in the Unreimbursed Medical or Dependent Care FSAs in 2022 have until March 15, 2023, to incur eligible expenses for the 2022 Plan Year. In addition to incurring eligible expenses through March 15, 2023, the period that employees enrolled in a Tax$ave FSA have for submitting claims for reimbursement extends to April 30, 2023. While this does not eliminate the “use it or lose it” rule, employees have an extended period to obtain reimbursement for eligible expenses and avoid forfeiting unused funds. Under the Unreimbursed Medical and Dependent Care FSAs, any 2022 contributions that remain unclaimed after the April 30, 2023, extended deadline are forfeited.

• **Unreimbursed Medical FSAs feature the Horizon *MyWay* Visa**® **Debit Card** that draws on the value of the employee’s annual Medical FSA election amount. The Horizon *MyWay* Visa Debit Card is included free when you sign up for the Unreimbursed Medical FSA during Tax$ave Open Enrollment. Employees can use the Horizon *MyWay* Visa Debit Card for qualifying expenses, such as covered prescription copayments, health plan deductibles, orthodontics, doctor and emergency room copayments, eyeglasses, Lasik surgery, and uncovered dentist or other provider fees. The Horizon *MyWay* Visa Debit Card can also be used for certain eligible OTC medical expenses at grocery stores, drugstores, and discount stores that are IIAS (Inventory Information Approval Systems) certified merchants.

**ENROLLING IN A FLEXIBLE SPENDING ACCOUNT**

Employees have four ways of enrolling in the Tax$ave FSA accounts during the Open Enrollment:

• **Online:** Employees can enroll in the Unreimbursed Medical and/or Dependent Care FSA plans online at: ***HorizonBlue.com/enrollfsa*** The deadline for online enrollment is midnight, October 31, 2021.

• **Phone:** You may call Horizon *MyWay* at 1-866-999-3531 to enroll over the phone. The deadline for phone enrollment is October 31, 2021.

• **Fax:** FSA *Enrollment Forms* may be faxed by the employee to 1-866-231-0214. The deadline for accepting faxed enrollment forms is midnight, October 31, 2021.

• **Mail:** FSA *Enrollment Forms* can be mailed by the employee directly to Horizon *MyWay*, P.O. Box 982814, El Paso, TX 79998-2814. To be accepted, enrollment forms must be postmarked no later than October 31, 2021. Forms postmarked after October 31, 2021, will be returned without action. Employer benefits offices should not be involved in processing or mailing FSA *Enrollment Forms.*

**Special rules for enrolling newly hired employees.** A new employee can enroll in the Tax$ave FSA plans when hired but must complete an FSA *Enrollment Form* within 30 days of the date of hire. There is then a waiting period before Unreimbursed Medical FSA or Dependent Care FSA eligibility.

• There is a 60-day waiting period for Unreimbursed Medical FSA eligibility.

• There is a 30-day waiting period for Dependent Care FSA eligibility.

The FSA effective date will be the first day of the month following eligibility. If the employee misses the 30-day enrollment window, he or she must wait to enroll during the Tax$ave Open Enrollment.

10-month State college or university employees with a start date of September 1, 2020 are assumed to have had their waiting period begin July 1, 2020. Therefore, the effective date for both the Unreimbursed Medical Plan and Dependent Care Program is September 1, 2020.

• 10-month State college or university employees with any start date other than September 1, 2020 follow the same 30- and 60-day waiting periods as outlined previously for all other employees.

For more information about the FSA plans, see the NJDPB website at ***www.nj.gov/treasury/pensions*** or contact Horizon *MyWay* Customer Service at 1-888-215-0025. Additionally, you may contact the Office of Human Resources via [benefits@kean.edu](mailto:benefits@kean.edu).