



## 2016 Reference Guide

## Your Flexible Reimbursement Accounts

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### Register for an online account now!

Visit [www.wageworks.com](http://www.wageworks.com) and click "Log in / Register" and select "Employee Registration". You'll need to verify your employee status, confirm your contact information and create a user name and password.

### Remember!

You will have to register for Plan Year 2016 during Open Enrollment **October 1 - November 2, 2015**

### Questions? Ask us.

If you have any questions or concerns, you can talk to a trained expert to learn more about the program. Just call 1-855-428-0446, Monday through Friday, from 8 a.m. to 8 p.m. ET.

[www.wageworks.com](http://www.wageworks.com)

## Start Saving. Here's How.

A Flexible Spending Account (FSA) is an account you set up for your anticipated, eligible medical services, medical supplies and dependent care expenses not normally covered by your insurance. 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, which means more **spendable** 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 small, 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

Your Open Enrollment dates are: **October 1, 2015, through November 2, 2015**

Your Period of Coverage dates are: **January 1, 2016, through December 31, 2016.**

## Welcome to WageWorks

The administration of the State of New Jersey's Flexible Spending Accounts is now on a new system supported by WageWorks, Inc. ("WageWorks"). The State of New Jersey is pleased to continue working with the same FSA administrator, and to bring enhanced capabilities to our employees.

### The Benefits of the WageWorks Platform

Using your FSA will continue to be quick and convenient while offering key enhancements with WageWorks.

- ▶ **EZ Receipts®** – The mobile application from WageWorks, you can file and manage your reimbursement claims and Card usage paperwork on the spot, with your smartphone, from anywhere. Go to [www.wageworks.com/aboutmobile](http://www.wageworks.com/aboutmobile) to learn more.
- ▶ **Pay My Provider** – You can pay many of your eligible health care expenses directly from your FSA account. It's quick, easy, secure, and available online anytime. See Page 9.
- ▶ **Website** – The WageWorks website is a world-class site with many leading edge features. Once enrolled in the FSA plan you will be encouraged to set up direct deposit reimbursements and provide an email to receive up-to-date account and claims status information, upload claims and receipts and access on-demand account activity statements.

## Contact Us

- ▶ **Customer Service** – The WageWorks customer service team is available from 8 am to 8 p.m. ET, to answer your questions and for automated services 24 hours a day, just call 1-855-428-0446. Account information is available online as well as helpful tips, guides, video tutorials and FAQs are at [www.wageworks.com](http://www.wageworks.com).
- ▶ **Written Inquiries** – Mail to: WageWorks, P.O. Box 14766, Lexington, KY 40512-4766
- ▶ **Lost or Stolen Card** – Contact Customer Service at 1-855-428-0446. Monday through Friday, from 8 a.m. to 8 p.m. ET.

# Enrollment at a Glance

## For New Hires

### Important Enrollment Information

- ▶ New employees must complete an enrollment form within 30 days of their hire date to participate in either the Tax\$ave Medical Expense Plan or Dependent Care Program.
- ▶ 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 will be 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 are assumed to have had their waiting period begin July 1. Therefore, the effective date for both the Unreimbursed Medical Plan and Dependent Care Program is September 1.
- ▶ 10-month State College or University employees with any start date other than September 1 follow the same 30 and 60-day waiting periods as outlined previously for all other employees.

## For Open Enrollment

### Important Enrollment Information

- ▶ All enrollment requests for Plan Year 2016 must be submitted by **November 2, 2015**.
- ▶ For more information, visit [www.wageworks.com](http://www.wageworks.com), or contact Customer Service at 1-855-428-0446, Monday - Friday, 8 a.m. - 8 p.m. ET.
- ▶ Enrollment will be available:
  - On the Web at [www.wageworks.com](http://www.wageworks.com),
  - Or by completing an Enrollment Form and;
    - Fax to:** 1-866-672-4780
    - Mail to:** WageWorks  
P.O. Box 14766  
Lexington, KY 40512-4766

Important Dates to Remember			
	Name	Dates	Activities
2015	Open Enrollment for Plan Year 2016 (PY16):	October 1, 2015 through November 2, 2015	All New Participants must enroll and continuing Participants must re-enroll each year.
2016	Grace period for PY15:	January 1, 2016 through March 15, 2016	Participants may incur PY15 expenses during these limited dates in calendar year 2016 and pay for them with PY15 fund balance. -- FIRST IN-FIRST OUT, ALL Claims/Card transactions submitted during the PY13 Grace Period will be paid out of remaining PY15 balance until exhausted.
	Run out period for PY15:	January 1, 2016 through April 30, 2016	Last chance to submit reimbursement requests for PY15 expenses incurred between January 1, 2016 and March 15, 2016.
	Plan Year 2016:	January 1, 2016 through December 31, 2016	Participants may incur PY15 expenses in calendar year 2016 and pay for them with PY15 election. Use your WageWorks® Health Care Card or file a paper claim. Watch service dates on 2015 grace period card transactions. Once the 2015 account balance is exhausted, claims WILL be paid out of 2016 funds, then the service dates MUST be in 2016.
2017	Grace period for PY16:	January 1, 2017 through March 15, 2017	Participants may incur PY16 expenses during these limited dates in calendar year 2017 and pay for them with PY16 fund balance. -- FIRST IN-FIRST OUT, ALL Claims/Card transactions submitted during the PY16 Grace Period will be paid out of remaining PY16 balance until exhausted.
	Run out period for PY16:	January 1, 2017 through April 30, 2017	Last chance to submit reimbursement requests for PY16 expenses incurred between January 1, 2017 and March 15, 2017.

Additional information about the State of New Jersey Tax\$ave Program can be found in Fact Sheet #44, which is available on the Division of Pension and Benefits website at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), by clicking the "Publications" drop down menu at the top of the page and choosing "Fact Sheets".

# Flexible Spending Accounts

## Managing Your Account

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You can manage and check your account through WageWorks online or over the phone. The online “Statement of Activity” page details all your account activity and will even alert you if any Card transactions are in need of verification.

For the latest information, visit [www.wageworks.com](http://www.wageworks.com) and log into 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 expenses for your program.
- ▶ Order additional WageWorks® Health Care Cards for your family.
- ▶ Manage your account while on the go via the WageWorks mobile website.
- ▶ Download the EZ Receipts® app so that you are able to file claims and take care of Card use paperwork from your smartphone.

## FSA Eligibility

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Unreimbursed Medical and Dependent Care Flexible Spending Accounts (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 Chapter 172, P.L. 2003.

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 and Benefits.

Your Unreimbursed Medical Flexible Spending Account 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 Flexible Spending Account to receive reimbursement for eligible dependent care expenses for qualifying individual under 13, eligibility ends on the child’s 13th birthday. (see note below). **Please see the Flexible Spending Account FAQs at [www.wageworks.com](http://www.wageworks.com).**

**Note:** 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) now recognizes a marriage of same-sex spouses for federal tax purposes - including the tax saving benefits available through Tax\$ave.

This recognition, however, does not include a civil union partner or same-sex domestic partner.

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?

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 upon completion of the appropriate forms and requirements. To begin the process for this change or to continue coverage, contact the Customer Service within 30 days of the event by calling 1-855-428-0446.

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

# Flexible Spending Accounts

## Annual Contribution Limits

### For Unreimbursed Medical FSA:

Minimum Annual Deposit \$100  
Maximum Annual Deposit: \$2,500

### For Dependent Care FSA:

Minimum Annual Deposit \$250  
The maximum contribution depends on your tax filing status.

- ▶ If you are married and filing separately, your maximum annual deposit is \$2,500.
- ▶ If you are single and head of household, your maximum annual deposit is \$5,000.
- ▶ If you are married and filing jointly, your maximum annual deposit is \$5,000.
- ▶ If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- ▶ If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

## Provide Documentation for Claims

Look to your online account statement to identify card transactions requiring documentation. Failure to submit requested documentation after 90 days will result in suspension of card use until outstanding transactions are substantiated. Undocumented card swipes must be either: documented, re-paid to WageWorks or substitute documentation may be used to clear the undocumented card swipe. Instructions for filing documents along with a claim form can be found on Page 7.

## 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 Flexible Spending Accounts.

### For Unreimbursed Medical FSA:

Once you sign up for a Unreimbursed Medical FSA and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

### For Dependent Care FSA:

Once you sign up for a Dependent Care FSA and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a Unreimbursed Medical FSA, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

## Examples of how to use your FSA:

### Example 1: Paying a copayment and doctor/dental fees

After paying your copayment and doctor/dental fees at a service provider's office, obtain an Explanation of Benefits (EOB) or detailed receipt of the completed services that includes:

- ▶ The type of service provided
- ▶ The name of the person receiving service
- ▶ The date the service was rendered
- ▶ The amount charged for the service (i.e. member paid); and
- ▶ The name of the healthcare provider or merchant.

Submit these documents, along with a claim form. Within five business days, your request will be processed and your reimbursement check will be mailed to you or funds will be direct deposited into the account of your choice. **You may also use your WageWorks® Health Care Card to pay instantly with FSA funds and avoid waiting for reimbursement.** For more information please refer to Pages 8.

### Example 2: Over-the-Counter (OTC) Drugs and Medicines

After paying for your qualified OTC medicines such as cold medicine, send a claim form with receipt and physician's prescription containing the following:

- ▶ Date
- ▶ Patient's name
- ▶ Medical practitioners name
- ▶ Statement of medical necessity
- ▶ The prescribed treatment
- ▶ The duration of the treatment required

### Example 3: Paying for day care services

Once you have paid for your child's day care service, send a completed claim form, along with documentation showing the following:

- ▶ Name, age and grade of the dependent receiving the service
- ▶ Cost of the service
- ▶ Name and address of the service provider
- ▶ Beginning and ending dates of the service.\*

Your request will be processed within five business days and either mailed to you or deposited into the account you have chosen or chose the new Pay My Provider option. See Page 9.

\* Approved expenses will not be reimbursed until the last date of service for which you are requesting reimbursement has passed.

# Flexible Spending Accounts

## Unreimbursed Medical FSA

A 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, a qualifying child or relative. Your full annual contribution amount is available at the beginning of the plan year, so you don't have to wait for the money to accumulate.

## Dependent Care FSA

The Dependent Care FSA is a great way to pay for eligible dependent care expenses such as after school care, baby-sitting fees, day care services, nursery and preschool. Eligible dependents include your qualifying child, spouse and/or relative.

### Typical FSA-Eligible 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.

#### Eligible medical expenses

*Typically, your medical expense FSA covers:*

Acupuncture  
Ambulance service  
Birth control pills and devices  
Breast pumps  
Chiropractic care  
Contact lenses (corrective)  
Dental fees  
Diagnostic tests/health screening  
Doctor fees  
Drug addiction/alcoholism treatment  
Drugs  
Experimental medical treatment  
Eyeglasses

Guide dogs  
Hearing aids and exams  
In vitro fertilization  
Injections and vaccinations  
Nursing services  
Optometrist fees  
Orthodontic treatment  
Over-the-counter items (some require prescription)  
Prescription drugs to alleviate nicotine withdrawal symptoms  
Smoking cessation programs/treatments  
Surgery  
Transportation for medical care

Weight-loss programs/meetings  
Wheelchairs  
X-rays

#### Eligible dependent care Expenses

*Your dependent care FSA typically covers expenses for eligible children under age 13, see Note on page 3):*

After school care  
Baby-sitting fees  
Day care services  
In-home care/au pair services  
Nursery and preschool  
Summer day camps

### FSA Savings Example\*

	(With FSA)	(Without FSA)
Annual Gross Income	\$31,000.00	\$31,000.00
FSA Deposit for Eligible Expenses	<u>-2,500.00</u>	<u>-0.00</u>
Taxable Gross Income	\$28,500.00	\$31,000.00
Federal, Social Security Taxes	<u>-4,317.97</u>	<u>-4,884.14</u>
Annual Net Income	\$24,182.03	\$26,115.86
Cost of Eligible Expenses	<u>-0.00</u>	<u>-2,500.00</u>
<b>Spendable Income</b>	<b>\$24,182.03</b>	<b>\$23,615.86</b>

By using an FSA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of **\$566.17!**

### Typical FSA-Ineligible Expenses

**For medical expense FSA:**

- ▶ insurance premiums
- ▶ vision warranties and service contracts and
- ▶ cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.
- ▶ over-the-counter items requiring a prescription, when no prescription is submitted with your claim.

**For dependent care FSA:**

- ▶ books and supplies
- ▶ child support payments or child care if you are a non-custodial parent or child care for a child over age 12 (see Note on page 3)
- ▶ health care or educational tuition costs and
- ▶ services provided by your dependent, your spouse's dependent or your child who is under age 19.

Notes:

Budget conservatively. No reimbursement or refund of medical expense FSA funds is available for services that do not occur within your plan year and grace period.

\* Based upon a 22.65% graduated tax rate (15% federal and 7.65% Social Security, married with zero allowances) calculated on a calendar year.

# Flexible Spending Accounts

## Over-the-Counter\* Expenses

Your over-the-counter (OTC) items, medicines and drugs may be reimbursable through your Unreimbursed Medical FSA. Save valuable tax dollars on certain categories of OTC items, medicines and drugs. For a more comprehensive list of eligible OTC items, please visit [www.wageworks.com](http://www.wageworks.com).

You may be reimbursed for OTCs through your Unreimbursed Medical FSA if:

- ▶ the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your qualifying dependent(s)
- ▶ the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- ▶ the reimbursement request is for an expense allowed by your employer's Unreimbursed Medical FSA plan and IRS regulations and
- ▶ you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

**Note:** OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis. It is your responsibility to remain informed of updates to this listing, which can be found at [www.wageworks.com](http://www.wageworks.com). As soon as an OTC item, medicine or drug becomes eligible under any of the categories, it will be reimbursable retroactively to the start of the then current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual Unreimbursed Medical FSA election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

\* **Note: Eligible over-the-counter (OTC) drugs and medicines require a prescription from your physician to qualify for reimbursement.**

## Is orthodontic treatment reimbursable?

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your Unreimbursed Medical FSA if the proper documentation is provided:

- ▶ 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, the cost for the service and
- ▶ 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 1-855-428-0446.

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

## 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:

**Mr. Tim McMullen, Plan Administrator**  
**Tax\$ave**  
**NJ Division of Pensions and Benefits**  
**PO Box 295**  
**Trenton, NJ 08625-0295**

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 of this review 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.

# Flexible Spending Accounts

## Using Your FSA Dollars

When you pay for an eligible health care or dependent care expense, you want to put your account to work right away. WageWorks gives you several convenient reimbursement options.

### Filing a claim

You can file a claim online to request reimbursement for your eligible expenses, or to provide documentation for good or services purchased with the WageWorks® Health Care Card.

- ▶ Go to [www.wageworks.com](http://www.wageworks.com), log into your account and click the Health Care or Dependent Care tab.
- ▶ Select the online claim form.
- ▶ Fill in all the information requested on the form and submit.
- ▶ Scan or take a photo of your receipts, EOBs and other supporting documentation.
- ▶ Attach supporting documentation to your claim by using the upload utility.
- ▶ Make sure your documentation includes the five following pieces of information required by the IRS:
  - ✓ Date of service or purchase
  - ✓ Detailed description
  - ✓ Provider or merchant name
  - ✓ Patient name
  - ✓ Patient portion (or amount owed)

Most claims are processed within one to two business days after they are received, and payments are sent shortly thereafter. For assistance, visit [www.wageworks.com/techtips](http://www.wageworks.com/techtips).

To submit a paper claim by fax or mail, log into your account at [www.wageworks.com](http://www.wageworks.com), download a Pay Me Back claim form and follow the instructions for submission. You may also contact Customer Service at 1-855-428-0446 to obtain a claim form.

**Toll-free FAX:** (855) 291-0625

**Mail to:** WageWorks, PO Box 14766, Lexington, KY 40512-4766

### Important FSA Notes:

- ▶ You have a **120-day run-out period** (ending April 30, 2017) after your plan year ends to submit reimbursement requests for all eligible FSA expenses incurred DURING your plan year.
- ▶ You may, however, continue using your Unreimbursed Medical FSA and/or Dependent Care FSA during the **grace period**, which is two months and 15 days after the end of your plan year (January 1, 2017 through March 15, 2017).
- ▶ Claims will be processed in the order in which they are received by WageWorks, and your account(s) will be debited accordingly. This is true for both paper claims and WageWorks® Health Care 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.

### Examples of services that may NOT require documentation:

- ▶ Copayments under SHBP Medical Plan or Prescription Drug plan
- ▶ Multiple copayments (up to 5 known copayments SHBP Medical Plan or Prescription Drug plan)
- ▶ Prescriptions & certain Over-the-Counter\* items purchased from IIAS certified merchants

### Examples of services that WOULD require documentation:

- ▶ Copayments under a spouse's Medical Plan or Prescription Drug plan (not SHBP)
- ▶ Multiple copayments (6 or more known copayments SHBP Medical Plan or Prescription Drug plan)
- ▶ Prescriptions & certain Over-the-Counter\* items purchased from 90% merchants
- ▶ Durable medical equipment purchases
- ▶ Dental expenses
- ▶ Eyeglasses or contact lenses

### Using your Smartphone

With the EZ Receipts® mobile application from WageWorks, you can file and manage your reimbursement claims and Card usage paperwork on the spot, with your smartphone, from anywhere. Go to [www.wageworks.com/aboutmobile](http://www.wageworks.com/aboutmobile) to learn more.

### Examples of how to use your FSA

#### Unreimbursed Medical Example:

##### Paying an office visit

After paying for your care at a service provider's office, obtain an Explanation of Benefits (EOB) or detailed receipt of the completed services. Submit these documents, along with a claim form to WageWorks. Within five business days, WageWorks will process your request and mail your reimbursement check to you or direct deposit your funds into the account of your choice. Or, you may have the ability to use your Card, and have instant access to your unreimbursed medical funds (see Page 8 for more information on the WageWorks® Health Care Card).

#### Dependent Care FSA Example:

##### Paying for dependent care services

Once you have paid for (and received) dependent care service, send a completed claim form to WageWorks, along with documentation showing the following:

- ▶ Provider Name
- ▶ Dates of Service
- ▶ Service Description
- ▶ Amount
- ▶ Dependent Name

Your request will be processed within five business days and either mailed to you or deposited into the account you have chosen.

# WageWorks Health Care Card

## About Your Card

While your WageWorks® Health Care Card and account offer a great deal of convenience, both are regulated by IRS rules that all participants are required to follow. In most instances, you will be able to use your Card with little or no inconvenience. **There are, however, situations where the Card will be declined or you will be required to submit receipts and/or other documentation to verify that the item or service purchased was eligible.**

## How To...

### Use your Card

You can use your Card in these ways:

- 1) For eligible goods and services at health care providers and select pharmacies
- 2) For eligible over-the-counter (OTC) non-drug items at general merchandise stores (including most drugstores) that have an industry standard (IIAS) inventory and checkout system
- 3) For prescribed OTC drugs at the pharmacy counter, as long as the drug is dispensed as a valid prescription. Go to [www.wageworks.com/healthcarereform](http://www.wageworks.com/healthcarereform) to learn more about the OTC drug prescription requirement. In most instances, your Card transaction will be verified at checkout, which means you will not have to submit a receipt to WageWorks after the transaction. You are, however, required to keep each receipt for tax purposes, and in the event it is needed for verification.

**Before shopping for prescriptions and over-the-counter items, always visit [www.sigis.com](http://www.sigis.com) for a list of merchants that have an IIAS system in place.**

### Use your Card at the doctor or other health care provider

If you use the Card at health care providers or pharmacies that does not have an IIAS system, WageWorks will likely require that you submit a receipt or your health insurance explanation of benefits (EOB) to verify that the transaction was for an eligible health care expense or service.

**Note:** You **cannot** use your WageWorks® Health Care Card for certain OTC drugs and medicines (without a prescription), cosmetic dental expenses or eye glass warranties.

### Verify a Card transaction after the purchase

If WageWorks is unable to determine that your Card was used to pay for eligible health care products and services, you will need to take the following action to verify the transaction:

- ▶ Log into your account at [www.wageworks.com](http://www.wageworks.com)
- ▶ Click on the "Submit Receipts for Health Care Card Use" link on the right-hand side of the Welcome page
- ▶ Select the unverified transaction
- ▶ Scan and upload the corresponding receipt and/or documentation or,

**Toll-free FAX:** (855) 291-0625

#### Mail to:

WageWorks  
PO Box 14766  
Lexington, KY 40512-4766

If you have lost or misplaced the receipt, you can submit a substitute receipt of equivalent value or repay your account.

### Make sure your receipts meet the requirements for verification

In order for the receipt (or any documentation) to be valid, it must include the five specific pieces of information required by the IRS:

- ▶ The patient name
- ▶ Provider name
- ▶ Date of service
- ▶ Type of service
- ▶ The amount you were charged or your cost (e.g. your deductible or co-pay amount or the portion not covered by your insurance)
- ▶ For OTC prescriptions drugs, the receipt must also include the prescription number. If not included, a copy of the prescription must accompany the receipt.

### Quick Tips

**Log into your account at [www.wageworks.com](http://www.wageworks.com) regularly to see if you have any Card transactions in need of verification.**

If you have a Card transaction that requires verification, you will be notified immediately on the Welcome page upon login and via email. Remember to also monitor the Statement of Activity page for pending transactions, as it can take up to three weeks to verify a purchase. If a pending transaction cannot be verified, the Status will update to "Receipt Needed."

**Avoid problems: Act quickly to resolve all unverified transactions.**

You have 90 days from the date of the transaction to take care of any outstanding unverified purchases. If you do not take action within 90 days:

1. The amount of any outstanding unverified Card transactions may be deducted from your next Pay Me Back claim submission.
2. Your Card will be suspended.

If your Card is suspended, it will be reactivated within 24 – 48 hours after receipts or repayment have been processed for all unverified Card transactions. Go to [www.wageworks.com](http://www.wageworks.com) to verify if your card is suspended or restored.

### Know when a Card transaction needs to be verified

WageWorks will notify you of any Card transactions that require attention by email and when you log into your account.

# Pay My Provider

WageWorks is pleased to offer you enhanced payment functionality for your Flexible Spending Accounts (FSA). You can now access your FSA funds using WageWorks' Pay My Provider (PMP) feature.

## How Paying Online with Pay My Provider Works

You can pay many of your eligible health care expenses directly from your FSA account. It's quick, easy, secure, and available online anytime.

### To pay a provider:

- ▶ Log in to your FSA account at [www.wageworks.com](http://www.wageworks.com).
- ▶ Click "Health Care" or "Dependent Care."
- ▶ Select "Request Pay My Provider" from the menu and follow the instructions.
- ▶ You'll need to enter the provider's full name, mailing address, and phone number. Make sure to have your bill handy when you log in. Entering an invoice or account number from your bill will assist your provider.
- ▶ You'll also need to submit appropriate documentation for your expense. In general, your detailed invoice or other appropriate documentation should include the following five pieces of information required by the IRS: the patient's name or dependent under care; service start and end date; the name of the service provider; a description of the service; and the amount paid or owed.

Additional requirements apply for recurring dependent care requests, recurring health care requests and health care expenses that require a Letter of Medical Necessity.

### Keep in mind the following when setting up a Pay My Provider request:

- ▶ The minimum payment is \$20.
- ▶ Payments can be set up any time after the service start date for a one-time health care service. Payment will be issued as soon as the uploaded documentation is approved.
- ▶ Payments for recurring health care services such as orthodontia can be set up so that payment is made 10 days prior to the due date.
- ▶ Recurring payments require the submission of a provider contract. See online instructions for details.
- ▶ Payments for dependent care services that are one-time or recurring cannot be issued prior to the service end date.
- ▶ Do not make a payment to yourself, use a Pay Me Back (PMB) claim form for reimbursements to yourself.
- ▶ Provide your email address.

### Once you have scheduled a payment to your provider:

- ▶ You will receive an email that either confirms the payment schedule or notifies you that the request was denied due to an insufficient available balance.
- ▶ A check will be mailed directly from your account to the requested provider on the designated payment date.
- ▶ Payments can be viewed on the website by selecting "View Account Activity" and then "PMP Requests" under the "Select Info" menu.

See the FAQ at [www.wageworks.com/pmpfaq](http://www.wageworks.com/pmpfaq) for detailed information about payment timing requirement and guidelines.

### Six easy steps for requesting a Pay My Provider Payment:

1. Select "Request Pay My Provider" from the Health Care Menu.
2. Enter the information from your receipt/documentation including selecting what the expense was and who it was for.
3. Enter or select the Provider Information.
4. Confirm or provide your email address.
5. Review your Pay My Provider Request and then click "Submit Claim and Upload your Receipt."
6. Scan and upload the invoice, contract or valid documentation to your computer. Make sure it includes the five pieces of information required by the IRS.
7. Follow the instructions to Upload Your Receipt.

# FSA Worksheets

Use the worksheets below to determine how much to deposit in your FSA. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual FSA descriptions in this Reference Guide for limits.)

**Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.**

<b>Unreimbursed Medical FSA Worksheet</b>	
Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.	
UNINSURED MEDICAL EXPENSES	
Health insurance deductibles	\$ _____
Coinsurance or copayments	\$ _____
Vision care	\$ _____
Dental care	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
<b>TOTAL ANNUAL AMOUNT</b> Remember, your total contribution cannot exceed \$2,500 for the plan year and calendar year.	\$ _____
<b>This is your annual contribution.</b>	\$ _____

<b>Dependent Care FSA Worksheet</b>	
Estimate your eligible dependent care expenses for the plan year.	
CHILD CARE EXPENSES	
Day care services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After school care	\$ _____
Summer day camps	\$ _____
ELDER CARE SERVICES	
Day care center	\$ _____
In-home care	\$ _____
<b>TOTAL ANNUAL AMOUNT</b> Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year.	\$ _____
<b>This is your annual contribution.</b>	\$ _____

DIRECT DEPOSIT - No one likes waiting for their money, why are you?  
 With Direct Deposit there are no fees for the service and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 hours of claim approval.

Visit [www.wageworks.com](http://www.wageworks.com) or call Customer Service to enroll.

**REMEMBER - Your Adult Child(ren) is eligible for coverage. Coverage applies until the end of the year in which the child turns age 26 whether or not the child(ren) is married or a student.**

# Changing Your Coverage

## Changing your FSA during the Plan Year

Within **60 days** of a qualifying event, you must submit an Enrollment/Change in Status (CIS) Form and supporting documentation to WageWorks. Upon the approval of your election change request, your existing FSA(s) elections will be stopped or modified as appropriate, see consistency rule below<sup>1</sup>. However, if your FSA election change request is denied, you will have **30 days**, from the date you receive the denial, to file an appeal with your employer. Visit [www.wageworks.com](http://www.wageworks.com) for information on rules governing periods of coverage and IRS Special Consistency Rules.

## Changes in Status:

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<b>Marital Status</b>	A change in marital status includes marriage, death of a spouse, divorce or annulment (legal separation is not recognized in all states).
<b>Change in Number of Tax Dependents</b>	A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.
<b>Change in Status of Employment Affecting Coverage Eligibility</b>	Change in employment status of the spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan includes commencement or termination of employment.
<b>Gain or Loss of Dependents' Eligibility Status</b>	An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan may include change in age, student, marital, employment or tax dependent status.
<b>Change in Residence<sup>2</sup></b>	A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan includes moving out of an HMO service area.

## Some Other Permitted Changes:

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<b>Coverage and Cost Changes<sup>2</sup></b>	Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your Dependent Care FSA benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.
<b>Open Enrollment Under Other Employer's Plan<sup>2</sup></b>	You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under their employer's plan if they participate in their employer's plan and: <ul style="list-style-type: none"><li>▶ the other employer's plan has a different period of coverage (usually a plan year) or</li><li>▶ the other employer's plan permits mid-plan year election changes under this event.</li></ul>
<b>Judgment/Decree/Order<sup>3</sup></b>	If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.
<b>Medicare/Medicaid<sup>3</sup></b>	Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.
<b>Family and Medical Leave Act (FMLA) Leave of Absence</b>	Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

### Notes:

1 However, the proposed change must be consistent with the type of change experienced. That is, contributions and benefit changes must be a necessary or appropriate result of the Changes in Status. For example, an election increase is consistent with adding a dependent to coverage; an election decrease is consistent with removing a dependent from coverage.

2 Does not apply to an Unreimbursed Medical Care FSA plan.

3 Does not apply to a Dependent Care FSA plan.

# 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 18 months of full 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 forfeit (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.

### Keep Your Address Updated

In order to protect your family’s rights, you should inform your employer and us of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and us.

## Election for Continuation Coverage

The COBRA Notice and Election Form will be mailed to each eligible participant by the company administering the NJ 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 post-marked, 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 Fringe Benefits Management Company, a Division of WageWorks, 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 WageWorks at 1-855-428-0446 or go online at: [www.wageworks.com](http://www.wageworks.com). You can also contact the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

# Notes

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# 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

Notice of Administrator's Capacity This notice advises Flexible Spending Account participants of the identity and relationship between your employer and its Contract Administrator, Fringe Benefits Management Company, a Division of WageWorks. We are not an insurance company. We have been authorized by your employer to provide administrative services for the Flexible Spending Account 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 1-855-428-0446 for more information or contact your tax advisor.

## Written Certification

When enrolling in either or both FSAs, written notice of agreement with the following will be required:

- ▶ I will only use my FSA to pay for IRS-qualified expenses and only for my IRS-eligible dependents
- ▶ I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FSA
- ▶ I will not seek reimbursement through any additional source and
- ▶ I will collect and maintain sufficient documentation to validate the foregoing.

## Questions?

Helpful tips, guides, video tutorials and FAQs are available online at [www.wageworks.com](http://www.wageworks.com). WageWorks Customer Service professionals also are standing by to help you. Just call 1-855-428-0446, Monday – Friday, 8 am – 8 p.m. ET.

Your Employer and WageWorks



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