

# NEW EMPLOYEE ORIENTATION BENEFITS BOOK



# **Benefits Introduction**

University Hospital offers a comprehensive benefits package with a wide variety of benefit choices. New hires are introduced to the State Health Benefits Program (SHBP) by benefits staff during New Hire Orientation. There is a 2-month waiting period for SHBP benefits to begin.

Each year, the Human Resources Department Benefits Services Office conducts an annual Open Enrollment period for the State Health Benefits Plan (SHBP) during the month of October, which allows employees to make changes in their existing coverage. However, our employees are able to make changes, for themselves or their dependents within 60 days of any qualifying life event throughout the year.

Our Open Enrollment Benefits Fair is a great opportunity for our employees to review their health plans and supplemental benefits that are available and meet their Benefits staff. We also offer Brown Bag Sessions on important topics of interest to our employees.

The staff site has a Human Resources page that includes a section on Benefits which serves as a general guide for eligible employees, communicating the hospital's Benefits Programs and should not be construed to represent an employment contract or other form of a legal contract. Refer to plan descriptions for detailed information.

## **Philosophy**

The University Hospital provides an excellent and very competitive benefits package for their employees that is a valuable part of each employee's total compensation. The Department of Human Resources is dedicated to communicating these benefits to you in a timely and informative manner.

The elements of the hospital's Total Rewards programs are competitive compensation, comprehensive benefits, learning and organizational development and career opportunities.

Total Rewards collectively define the hospital's investment in our employees. We strive to help our employees achieve success in their work life.

## **Services**

The following services are provided to support University Hospital's employee benefits objectives:

- Serving as a liaison with the State and insurance providers to administer the University's Benefits Programs
- Communication of pertinent information to employees making benefit decisions
- Personal and phone consultation with Benefits staff
- Benefits Fairs
- Coordination of on-site consultation with health plan and investment plan providers
- Brown Bag Sessions on specific benefit topics
- Financial Planning Seminars
- Educational Assistance Program Oversight
- Ensuring compliance with Federal, State and Local laws and regulations regarding benefits

## Benefits At A Glance

<b>TIME OFF BENEFITS</b>				
For additional information please visit- <a href="http://www.uhnj.org/hrweb/policies/index.htm">http://www.uhnj.org/hrweb/policies/index.htm</a>				
<b>HOLIDAYS</b>	9 Holidays per year. For a list of the days please see the Holiday Policy.			
<b>FLOAT HOLIDAYS</b>	6 days if on the payroll as of January 1, 3 days if hired between Jan 2 - July 1- 0 days if hired between July 2 - Dec. 31.			
<b>SICK DAYS</b>	1 day per month is accrued and carried year to year, per the Sick Pay Policy. Active employees retiring from a State administered pension plan will be paid for accumulated unused sick days up to \$15,000 as per the Unused Sick Time at Retirement Policy.			
<b>VACATION DAYS</b>	Vacation is accrued on a monthly basis. Accruals increase with the years of service. Use of accrued time after 90 days of employment. Please see the Vacation Policy for rates of accrual.			
<b>HEALTH BENEFITS</b>				
For eligibility requirements please visit- <a href="http://www.uhnj.org/hrweb/policies/Employee-health-Insurance.pdf">http://www.uhnj.org/hrweb/policies/Employee-health-Insurance.pdf</a>				
<b>MEDICAL INSURANCE</b>	Eligibility after two months of continuous employment. Premiums are based on a percentage of premium calculation. See Percentage of Premium Calculation Chart.			
<b>PRESCRIPTION PLAN</b>				
<b>DENTAL INSURANCE</b>	Eligibility after two months of continuous employment. See rate chart.			
<b>PENSION PLANS</b>				
For eligibility requirements please visit <a href="http://www.uhnj.org/hrweb/benefits/retirement.htm">http://www.uhnj.org/hrweb/benefits/retirement.htm</a>				
<b>PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)</b>	Vesting after 10 years of PERS participation	Employee contribution		
<b>DEFINED CONTRIBUTION RETIREMENT PROGRAM (DCRP)</b>	Employer contributions are not vested until the 13th consecutive month of employment	Employee contributes 5% of annual base salary Employer contributes 3% of annual base salary		
<b>GROUP LIFE INSURANCE</b>				
<b>PERS</b>	Employer: 1.5 times the annual salary Employee: 1.5 times the annual salary prorated the first year Employee contributes 1/2% of annual salary In combination total coverage is three (3) times base annual salary			
<b>DCRP</b>	1.5 times base annual salary Employer pays the cost, no employee contribution			
<b>LONG TERM DISABILITY</b>				
<b>PERS - DISABILITY INSURANCE COVERAGE</b>	Upon completion of 12 months of continuous contributions in PERS. There is a 6 month waiting period.	No contribution		
<b>DCRP- LONG TERM DISABILITY</b>	Upon completion of 12 months of continuous contributions in DCRP. There is a 6 month waiting period.	No contribution		
<b>ADDITIONALS</b>				
<b>VOLUNTARY TAX SHELTER PROGRAMS</b>	Information may be found in the New Employee Orientation book.			
<b>EDUCATION ASSISTANCE PROGRAM</b>	Eligibility after 1 year of employment and satisfactory annual evaluation. Please see Education Assistance Program Policy for additional information.	Reimbursement covers tuition costs and credit by exam		

**Web Address for State Related Benefit Information:**

<http://www.state.nj.us/treasury/pensions/index.shtml>



**State Health Benefits Program (SHBP) • School Employees' Health Benefits Program (SEHBP)**  
**REQUIRED DOCUMENTATION FOR DEPENDENT ELIGIBILITY AND ENROLLMENT**

The State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) are required to ensure that only employees, retirees, and eligible dependents are receiving health care coverage under the Programs. The New Jersey Division of Pensions & Benefits (NJDPB) must guarantee consistent application of eligibility requirements within the plans. Employees or retirees who enroll dependents for coverage (spouses, civil union partners, domestic partners, children, disabled and/or overage children continuing coverage) MUST submit the following documentation in addition to the appropriate health benefits enrollment or change of status application. If proper documentation has already been provided and approved, do not resubmit. If appropriate dependent documentation proof is not provided, dependents may not be enrolled. **ANY DEPENDENTS NOT LISTED ON THE APPLICATION WILL NOT BE COVERED.**

DEPENDENTS	ELIGIBILITY DEFINITION	DOCUMENTATION REQUIRED
SPOUSE	A person to whom you are legally married.	A copy of the marriage certificate <b>and</b> a copy of the front page of the employee/retiree's federal tax return* (Form 1040) from last year that includes the spouse. If filing separately, submit a copy of both spouses' tax returns that list the same address. If marriage occurred in the current calendar year, a copy of the tax return is not required. <b>Or</b> , if tax return is not available, provide a copy of a bank statement or bill (dated within 90 day of the application) that includes the names of both spouses and is received at the same address.
CIVIL UNION PARTNER	A person of the same sex with whom you have entered into a civil union.	A copy of the marriage certificate <b>and</b> a copy of the front page of the employee/retiree's federal tax return* (Form 1040) from last year that includes the partner. If filing separately, submit a copy of both partners' tax returns that list the same address. If marriage occurred in the current calendar year, a copy of the tax return is not required. <b>Or</b> , if tax return is not available, provide a copy of a bank statement or bill (dated within 90 day of the application) that includes the names of both partners and is received at the same address.
DOMESTIC PARTNER	A person of the same sex with whom you have entered into a domestic partnership. Under P.L. 2003, c. 246, the Domestic Partnership Act, health benefits coverage is available to domestic partners of State employees, State retirees, or employees or retirees of a SHBP - or SEHBP - participating local public entity that has adopted a resolution to provide Chapter 246 health benefits.	A copy of the New Jersey certificate of domestic partnership dated prior to February 19, 2007, or a valid certification from another State or foreign jurisdiction that recognizes same-sex domestic partners <b>and</b> a copy of the front page of the employee/retiree's N.J. tax return* from last year that includes the partner. If filing separately, submit a copy of both partners' NJ tax returns that list the same address. If Domestic Partnership occurred in the current calendar year, a copy of the tax return is not required. <b>Or</b> , if tax return is not available, provide a copy of a bank statement or bill (dated within 90 days of the application) that includes the names of both partners and is received at the same address.
CHILDREN	A subscriber's child until age 26, regardless of the child's marital, student, or financial dependency status – even if the young adult no longer lives with his or her parents.  This includes a stepchild, foster child, legally adopted child, or any child in a guardian-ward relationship upon submitting required supporting documentation.	<b>Natural or Adopted Child</b> – A copy of the child's birth certificate showing the name of the employee/retiree as a parent. <b>Step Child</b> – A copy of the child's birth certificate showing the name of the employee/retiree's spouse or partner as a parent <b>and</b> a copy of the marriage/partnership certificate showing the names of the employee/retiree and spouse/partner. <b>Legal Guardian, Grandchild, or Foster Child</b> – Copies of final court orders with the presiding judge's signature and seal. Documents must attest to the legal guardianship by the employee.
DEPENDENT CHILDREN WITH DISABILITIES	If a covered child is not capable of self-support when he or she reaches age 26 due to mental illness or incapacity, or a physical disability, the child may be eligible for a continuance of coverage. Coverage for children with disabilities may continue only while (1) you are covered through the SHBP/SEHBP; (2) the child continues to be disabled; (3) the child is unmarried or does not enter into a civil union or domestic partnership; and (4) the child remains substantially dependent on you for support and maintenance. You may be contacted periodically to verify that the child remains eligible for coverage.	Documentation for the appropriate "child" type (as noted above) <b>and</b> a copy of the front page of the employee/retiree's federal tax return* (Form 1040) from last year that includes the child. If Social Security disability has been awarded, or is currently pending, please include this information with the documentation that is submitted. Please note that this information is only verifying the child's eligibility as a dependent. The disability status of the child is determined through a separate process.
CONTINUED COVERAGE FOR OVERAGE CHILDREN	Certain children over age 26 may be eligible for continued coverage until age 31 under the provisions of P.L. 2005, c. 375. This includes a child by blood or law who: (1) is under the age of 31; (2) is unmarried or not a partner in a civil union or domestic partnership; (3) has no dependent(s) of his or her own; (4) is a resident of New Jersey or is a student at an accredited public or private institution of higher education, with at least 15 credit hours; and (5) is not provided coverage as a subscriber, insured, enrollee, or covered person under a group or individual health benefits plan, church plan, or entitled to benefits under Medicare.	Documentation for the appropriate "child" type (as noted above), <b>and</b> a copy of the front page of the child's federal tax return* (Form 1040) from last year, and if the child resides outside of the State of New Jersey, documentation of full time student status must be submitted.

\*You may black out all financial information and all but the last four digits of any Social Security numbers on tax returns. To obtain copies of the documents listed above, contact the office of the town clerk in the city of the birth, marriage, etc., or visit these websites: [www.vitalrec.com](http://www.vitalrec.com) or [www.studentclearinghouse.org](http://www.studentclearinghouse.org). Residents of New Jersey can obtain records from the State Bureau of Vital Statistics and Registration website: [www.nj.gov/health/vital/index.shtml](http://www.nj.gov/health/vital/index.shtml)

## STATE HEALTH BENEFITS PROGRAM (SHBP) SHBP

### PARTICIPATING PLANS AND CONTACT INFORMATION

<https://www.nj.gov/treasury/pensions/hb-active-contacts.shtml>

#### Medical Plans



Plans available through the State Health Benefits Program:

**Tiered Network Plan (Active SHBP Members only):**

OMNIA Health Plan (Horizon Blue Cross Blue Shield of New Jersey)

**PPO Plans:** NJ DIRECT15, NJ DIRECT1525, NJ DIRECT2030, NJ DIRECT2035, NJ Direct, NJ Direct2019

**HMO Plan:** Horizon HMO

**High Deductible Health Plans (HDHP):** NJ DIRECT HD1500, NJ DIRECT HD4000

**Note:** Horizon HMO service area is limited to New Jersey and bordering counties of Delaware, Pennsylvania, and New York.

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For more information about any participating plan, follow the link or call the plan's member services number to speak with a plan representative.

#### NJ DIRECT and Horizon Plans

- Horizon Member Services: 1-800-414-SHBP (1-800-414-7427)
- Horizon Website: <https://www.horizonblue.com/shbp/>
- Health Benefits Member Guidebooks  
<https://www.nj.gov/treasury/pensions/member-guidebooks.shtml>
  - a. NJ DIRECT Member Guidebook
  - b. Horizon HMO Member Guidebook
  - c. Horizon OMNIA Member Guidebook
  - d. NJ DIRECT HDHP Member Guidebook

#### Pharmacy Benefits



Managed by OptumRx

- OptumRX Website [https://www.optumrx.com/oe\\_sonjectiveee/landing](https://www.optumrx.com/oe_sonjectiveee/landing)
- **Member Services Phone:** 1-844-368-8740

#### **Also available:**

Medical Plan Design

<https://www.state.nj.us/treasury/pensions/documents/hb/oe2022/2022-shbp-state-overview.pdf>

Summaries of Benefits and Coverage

<https://www.state.nj.us/treasury/pensions/documents/hb/oe2022/hb-sbc-state-active-22.shtml>

# **SUMMARY OF BENEFITS AND COVERAGE FOR MEMBERS OF THE STATE HEALTH BENEFITS PROGRAM (SHBP)**

To view the information listed below, please log onto:

<https://www.nj.gov/treasury/pensions/documents/hb/oe2022/hb-sbc-state-active-22.shtml>

<p style="text-align: center;"><b>HORIZON PLANS</b></p> <p style="text-align: center;"><b>PPO Plans</b></p> <ul style="list-style-type: none"><li>• <a href="#">NJ DIRECT</a></li><li>• <a href="#">NJ DIRECT15</a></li><li>• <a href="#">NJ DIRECT1525</a></li><li>• <a href="#">NJ DIRECT2019</a></li><li>• <a href="#">NJ DIRECT2030</a></li><li>• <a href="#">NJ DIRECT2035</a></li></ul> <p style="text-align: center;"><b>HMO Plan</b></p> <ul style="list-style-type: none"><li>• <a href="#">Horizon HMO</a></li></ul> <p style="text-align: center;"><b>Tiered Plan</b></p> <ul style="list-style-type: none"><li>• <a href="#">OMNIA Health</a></li></ul> <p style="text-align: center;"><b>High Deductible Health Plans</b></p> <ul style="list-style-type: none"><li>• <a href="#">NJ DIRECT HD4000</a></li><li>• <a href="#">NJ DIRECT HD1500</a></li></ul>
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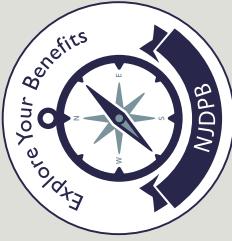
<p style="text-align: center;"><b>STATE ACTIVE PRESCRIPTION PLANS</b></p> <ul style="list-style-type: none"><li>▪ <a href="#">State Active Prescription Plan 15</a></li><li>▪ <a href="#">State Active Prescription Plan 1525</a></li><li>▪ <a href="#">State Active Prescription Plan 2030</a></li><li>▪ <a href="#">State Active Prescription Plan 2035</a></li><li>▪ <a href="#">State Active Prescription Plan NJ Direct</a></li><li>▪ <a href="#">State Active Prescription Plan Tiered</a></li></ul>
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## **Prescription Drug Plan Handbook**

Information regarding the Prescription Drug Plan, can be found in the Prescription Drug Plans Member Handbook at:

<https://www.nj.gov/treasury/pensions/documents/guidebooks/hp0506.pdf>

# Civil Unions and Domestic Partnerships



Information for:  
All Pension Funds and the Health Benefit Programs

## ELIGIBILITY

### Civil Unions

The Civil Union Law applies to any State employee, local government employee, or local education employee, and any retiree of these employers who has entered into a civil union, obtained a New Jersey *Civil Union Certificate* (or a valid certification from another jurisdiction that recognizes same-sex civil unions) and who is otherwise eligible for pension and/or SHBP/SEHBP benefits.

**Note:** The enactment of the Civil Union Law extends health and pension benefits to all eligible civil union couples; therefore, there is no additional resolution or approval required by an employer as is required under the Domestic Partnership Act.

The laws extend public pension, State Health Benefits Program (SHBP), and School Employees' Health Benefits Program (SEHBP) benefits to same-sex civil union/domestic partners of State, local government, and local education employees and retirees.

This fact sheet deals only with the pension and health benefits extended by Chapters 246 and 103. It does not address the broader rights and responsibilities covered by the laws, nor does it cover questions of eligibility for a civil union/domestic partnership since they are outside of the scope of the New Jersey Division of Pensions & Benefits (NJDPB). For the purposes of this fact sheet, "partner" will refer to both domestic partners and civil union partners.

## PENSION BENEFITS

The laws add a same-sex partner to the definition of spouse, widow, widower, and eligible same-sex domestic partner to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS), State Police Retirement System (SPRS), Judicial Retirement System (JRS), and Alternate Benefit Program (ABP), so that the partner is considered the same as a spouse.

Upon the death of a retirement system member, a copy of the valid *Civil Union* or *Domestic Partnership Certificate* is required for verification before any pension benefits are paid.

## PERS and TPAF Members

For the PERS and TPAF, the only benefit added by the laws is for Accidental Death. An eligible partner is eligible to receive a pension benefit if the employee dies through an accident in the performance of his or her duty while at work. This is a lifetime benefit; but, if the surviving spouse/partner subsequently marries or establishes a new civil union, the survivor's pension benefit will end. However, a survivor's benefits from an Accidental Death (or Accidental Disability Retirement) going to a partner would be subject to federal tax. This is not the case when a survivor's benefit is paid to a spouse.\*

## Domestic Partnerships

The Domestic Partnership Act applies to any State employee or State retiree who has entered a same-sex domestic partnership and obtained a valid *Certificate of Domestic Partnership*.

\* Under the federal Internal Revenue Code (IRC) a civil union partner or domestic partner is not recognized in the same manner as a spouse and therefore does not qualify for similar treatment for federal tax purposes.

# Civil Unions and Domestic Partnerships

Regular PERS and TPAF retirements are not impacted since retirees can already name anyone as a joint and survivor beneficiary of their pension benefit. The Internal Revenue Service (IRS) does, however, restrict whom a member can name as a beneficiary under Options 2, A, and B, to either a spouse or to a nonspouse beneficiary within specific age limitations (see the *Retirement — PERS and TPAF Pension Options Fact Sheet* for details on age limits for nonspouse beneficiaries).\*

## PFRS and SPRS Members

For the PFRS and SPRS, the statutory survivor's benefit, provided upon the death of the employee or retiree, can be paid to a surviving partner in the same manner as is done for a surviving spouse. This is a lifetime benefit; however, if a surviving spouse/partner receiving a PFRS or SPRS retired survivor's benefit subsequently marries or establishes a new civil union, the survivor's pension will end (this does not apply to survivors of PFRS/SPRS Accidental Death in the line of duty or active SPRS survivor benefits).

## JRS Members

For the JRS, the statutory survivor's benefit, provided upon the death of the employee or retiree, can be paid to a partner in the same manner as is done for a spouse. This is a lifetime benefit; however, if a surviving spouse/partner is receiving a JRS survivor's benefit and subsequently marries or establishes a new civil union, the survivor's pension benefit will end. If a JRS member wishes to also select a joint and survivor retirement option, the IRS restrictions for Options 2, A, and B mentioned previously under the PERS and TPAF also apply.

## Other Pension Funds

A partner is recognized under the Alternate Benefit Program (ABP), the Consolidated Police and Fire-

men's Pension Fund (CPFPF), the Prison Officers' Pension Fund, and the Volunteer Emergency-Worker's Survivors Pension (VESP).

## **HEALTH BENEFIT PROGRAM COVERAGE**

Coverage under the SHBP or SEHBP for a partner is available to any State employee, State retiree, or an eligible employee or retiree of a local public entity that participates in the SHBP or SEHBP.

## Enrolling a Partner

To add a partner to coverage, an SHBP/SEHBP-eligible employee or retiree must submit the appropriate health benefits enrollment application, include a photocopy of the *Civil Union Certificate or Certificate of Domestic Partnership* with the application.

Children of your partner may also be added (see application instructions for details).

## **TAXATION OF HEALTH BENEFITS FOR PARTNERS**

The IRC allows an employer to provide certain benefits to its employees on a tax-exempt basis. Those benefits can also be extended to spouses and dependents of an employee on the same tax-exempt basis. The IRC, however, does not recognize a partner in the same manner as a spouse and does not automatically recognize a partner as a dependent for tax purposes. Therefore, your employer may have to treat the civil union/domestic partnership SHBP/SEHBP benefit as taxable to you and withhold federal income, Social Security, and Medicare taxes on its value. This is also true if you are a retiree and are receiving employer- or State-paid health benefits coverage.

If you add a partner to your coverage, you should expect to receive a Form W-2 and have to pay federal income, Medicare, and Social Security taxes on the imputed value of the partner benefit.

- The citizen or resident test;
- The joint return test; and
- The support test.

Similarly, since the partner's coverage is a federally taxable benefit, an employee who participates in the State's Tax\$ave (IRC Section 125) Premium Option Plan, or another employer's Section 125 plan, cannot make pre-tax payments for the cost of a partner's coverage. Pre-tax dollars may still be used to pay for the employee's portion of the cost of his or her own and dependent children's coverage (see the "Certifying a Partner's Dependent Status" section).

The partner benefit is not subject to New Jersey State income tax. If you live outside of New Jersey, you should check with your State's tax agency to determine if the partner benefit is subject to state taxes.

## **Determining the Imputed Income**

The SHBP and SEHBP use the cost for Single coverage in determining the imputed value of partner coverage. The imputed income for federal tax withholding purposes will be the full cost of Single coverage for the plan in which the employee or retiree is enrolled, less any amount the employee/retiree pays towards the cost of the partner's coverage.

## **Certifying a Partner's Dependent Status**

If a partner can meet the IRS's definition of a dependent for tax purposes, found in Section 152 of the IRC, the employer does not have to treat the partner coverage as a taxable benefit. The requirements for dependent status are not easily met and are strictly enforced by the IRS. If an employee wants to claim a dependency exemption for a partner, all four of the following dependency tests must be met:

- The member of the household or relationship test;
- The citizen or resident test;
- The joint return test; and
- The support test.

\* Under the federal *Internal Revenue Code* (IRC) a civil union partner or domestic partner is not recognized in the same manner as a spouse and therefore does not qualify for similar treatment for federal tax purposes.

# Civil Unions and Domestic Partnerships

See IRS Publication 503 - *Child and Dependent Care Expenses* for additional information on dependent status for federal tax purposes.

The IRS has stated in private letter rulings that an employer can rely on an employee's written certification that the dependent meets the IRS tests for dependency. An employee or retiree can provide certification that a partner meets the IRC criteria for a dependent in one of several ways:

- State employees paid through Centralized Payroll can submit the *Employee Tax Certification — Civil Union Partner or Domestic Partner Benefit* form to certify their partner's dependent status.
- Employees of other employers should see their employer's human resources officer or benefits administrator to determine how tax dependent certification should be provided.
- Retirees can submit the *Retiree Tax Certification — Civil Union Partner or Domestic Partner Benefit* form to certify their partner's dependent status.

Since an individual's situation can change, an employee or retiree who files a certification stating that the partner meets the IRS definition of dependent will be required to file a new certification every calendar year to continue that same tax treatment of the benefit.

Employees or retirees may also wish to consult with a professional tax advisor or contact the IRS directly at 1-800-TAX-1040 or online at: [www.irs.gov](http://www.irs.gov)

This fact sheet is a summary and not intended to provide all information. Although every attempt at accuracy is made, it cannot be guaranteed.

*This fact sheet has been produced and distributed by:*

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**P.O. Box 295, Trenton, NJ 08625-0295**

(609) 292-7524  
For the hearing impaired: TRS 711 (609) 292-6683  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

# Dental Plans — Active Employees



Information for:  
State Health Benefits Program (SHBP)  
School Employees' Health Benefits Program (SEHBP)

## ELIGIBILITY

The Employee Dental Plans are available to full-time State employees, full-time employees of a local employer (county, municipality, school board, etc.) that elects by resolution to provide the Employee Dental Plans to its employees and the eligible dependents of these employees. For more information on dental plans offered to retirees, see the *Dental Plans — Retirees Fact Sheet*.

New eligible employees may enroll through Benefitsolver during the first 60 days of employment. Benefitsolver can be accessed by navigating to mynjbenefishub or via your myNewJersey account. If you do not enroll when first eligible, you have the option to enroll during the annual SHBP/SEHBP Open Enrollment period. Open Enrollment is normally held in the fall, with coverage effective the following January.

If you do not enroll because of other dental coverage and later lose that coverage, you can enroll by submitting a form within 60 days of the loss of coverage.

Once enrolled, you and your eligible dependents must remain in the dental plan you elect for a minimum of 12 months before you can change plans or drop coverage. In the event that you wish to change dental plans, you will not be permitted to do so until the Open Enrollment period following the 12-month period.

**Note:** Duplicate coverage within any New Jersey State-administered dental plan is not permitted. An individual may be covered as an employee or as a dependent, but not as both an employee and a dependent. Children may only be covered by one parent.

dependent, but not as both an employee and a dependent. Children may only be covered by one parent.

## DENTAL PLAN CHOICES

You have a choice between two types of dental plans:

- A Dental Plan Organization (DPO); or
- The Dental Expense Plan.

## Dental Plan Organizations (DPOs)

The DPOs are companies that contract with a network of providers for dental services. There are several DPOs participating in the Employee Dental Plans from which you may choose. Participating DPOs are listed in the *Employee Dental Plans Member Guidebook*, available on the New Jersey Division of Pensions & Benefits (NJDPB) website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

In order to receive coverage, you must use providers who participate with the DPO that you select. Be sure you confirm that the dentist or dental facility you select is taking new patients and participates with the SHBP/SEHBP Employee Dental Plans, since DPOs also service other organizations.

When you use a DPO dentist, diagnostic and preventive services are covered in full. Most other eligible expenses require a copayment. See the "Dental Plan Comparison" chart later in this fact sheet. In addition, orthodontic treatment is covered for both children and adults, subject to a copayment.

If your dentist drops out of the DPO, you must select another participating dentist from the DPO. If there are none available within 30 miles of your home, or if you move and your DPO cannot provide a dentist within 30 miles of your home, you may change plans immediately.

## Dental Expense Plan

The Dental Expense Plan is a Preferred Provider Organization (PPO) plan administered by Aetna Dental. The plan allows you to choose any licensed dentist for your dental care; however, you will pay less if you use an in-network provider. There is a deductible to satisfy for some services, and some services are eligible only up to a limited amount. The annual plan deductible is \$50 per person/\$100 per family in-network, and \$75 per person/\$150 per family out-of-network. The deductible does not apply to diagnostic, preventive, and orthodontic services. After you satisfy the annual deductible, you are reimbursed a percentage of the reasonable and customary charges or PPO-contracted allowance for services that are covered under the plan.

The Dental Expense Plan provides for the following benefits:

- Diagnostic and Preventive Services are paid at 100 percent (in-network) of the PPO-contracted allowance and 90 percent (out-of-network) of the reasonable and customary allowance, with no deductible;

## Dental Plans — Active Employees

- Basic Services such as fillings and extractions are paid at 80 percent (in-network) of the PPO-contracted allowance and 70 percent (out-of-network) of the reasonable and customary allowance, after deductible;
- Major Restorative Services, such as crowns, are paid at 65 percent (in-network) of the PPO-contracted allowance and 55 percent (out-of-network) of the reasonable and customary allowance, after deductible;
- Prosthodontic Services for new or replacement dentures are covered at 50 percent (in-network) of the PPO-contracted allowance and 40 percent (out-of-network) of the reasonable and customary allowance, after deductible. Repairs to existing dentures are covered at 80 percent (in-network) of the PPO-contracted allowance and 70 percent (out-of-network) of the reasonable and customary allowances, after deductible;
- Periodontics (treatment of gum disease) is covered at 50 percent (in-network) of the PPO-contracted allowance and 40 percent (out-of-network) of the reasonable and customary allowance, after deductible;
- Orthodontics are available after you have been a full-time employee for 10 months (with no deductible), but only for your children under the age of 19. Orthodontic services are reimbursed at 50 percent (in-network) of the PPO-contracted allowance and 40 percent (out-of-network) of the reasonable and customary allowance, and have a separate \$1,000 in-network and \$750 out-of-network individual lifetime reimbursement benefit maximum; and
- Benefit Maximum per covered individual is \$3,000 annually in-network and \$2,000 out-of-network for a maximum of \$3,000 combined in- and out-of-network. This maximum applies to all

eligible services except orthodontic, which has a separate \$1,000/\$750 individual lifetime benefit maximum.

With the exception of emergency care, if your Dental Expense Plan treatment includes charges that are expected to cost more than \$300, it is strongly recommended that your dentist file for predetermination of benefits with Aetna. With advance approval you will know what services are covered and what payments will be made.

When you use an in-network dental provider, you only pay the provider any applicable deductible and the appropriate coinsurance based on the discounted fee, thereby reducing your out-of-pocket cost. In many cases the in-network dental provider will submit the claims directly to Aetna, eliminating the necessity to file claim forms. To find an in-network provider, call Aetna at 1-877-STATENJ (1-877-7782-8365).

### PREMIUM COSTS

- For employees of the State, the premium cost for dental plan coverage is shared between the State and the employee. The amount of your payroll deduction is available from your human resources representative or benefits administrator. Dental rates are also posted on our website.
- State employee premiums can be paid on a pre-tax basis through participation in the Premium Option Plan (POP) of Tax\$ave, a benefit program available under Section 125 of the federal Internal Revenue Code (IRC). Participation in the POP is automatic unless you file a form declining participation. The Internal Revenue Service (IRS) strictly regulates enrollment in the POP and prohibits any benefit changes outside of an Open Enrollment period or unless a qualifying life event occurs (e.g., loss of other coverage, marriage, divorce, etc.). The Tax\$ave Fact Sheet explains the POP in more detail.

For employees of a participating local employer,

the premium cost for dental plan coverage will vary based upon the policies of that employer, with regard to health benefit costs and any labor agreements between the employer and the unions representing the employee. Employees of a participating local employer should see their human resources representative or benefits administrator for more information.

### CHOOSING A DENTAL PLAN

- Your choice of a dental plan is a personal decision. In deciding whether to enroll and which plan to choose, you should consider:
  - The nature and amount of your anticipated dental expenses for the next year;
  - The covered services provided by the Dental Expense Plan or a DPO;
  - The differences in out-of-pocket costs for each type of plan; and
  - The degree of flexibility that you may want in selecting a dentist.
- You can use the "Dental Plan Comparison" chart later in this fact sheet to compare benefit levels under each type of dental plan. If you choose a DPO, you must select a dentist who participates with that particular DPO and who can accept you and your dependents as patients.
- The following chart provides a summary description of a variety of dental services under the two types of dental plans offered by the Employee Dental Plans. The chart is not complete and does not describe all the benefits, limitations, or conditions associated with coverage under either type of plan. Please refer to the *Employee Dental Plans Member Guidebook* for additional details.

## Dental Plans — Active Employees

This fact sheet is a summary and not intended to provide all information.  
Although every attempt at accuracy is made, it cannot be guaranteed.

	DENTAL PLAN COMPARISON		DENTAL PLAN ORGANIZATION (DPO)
	IN-NETWORK	OUT-OF-NETWORK	
<b>Deductible</b>	\$50 per person per calendar year/ \$100 per family; None for diagnostic, preventive, and orthodontic services	\$75 per person per calendar year/ \$150 per family; None for diagnostic, preventive, and orthodontic services	None
<b>Coinurance</b>	Plan pays: 100% Diagnostic and Pre- ventive; 80% Basic Restorative; 65% Major Restorative; 50% Periodontics and Prosthodontics*	Plan pays: 90% Diagnostic and Pre- ventive; 70% Basic Restorative; 55% Major Restorative; 40% Periodontics and Prosthodontics*	Plan pays 100% (less copayment); 100% Diagnostic and Preventive
<b>Copayments</b>	None	None	Varies depending on service
<b>Benefits Maximum</b>	\$3,000 (Maximum of \$3,000 com- bined in- and out-of-network) per member annually (excluding ortho- dontics); \$1,000 (lifetime) per child for orthodontics	\$2,000 (Maximum of \$3,000 com- bined in- and out-of-network) per member annually (excluding ortho- dontics); \$750 (lifetime) per child for orthodontics	Unlimited
<b>Provider Limitations</b>	Must use participating dentist	Any licensed dentist	Must use DPO-participating dentist
<b>Selected Services</b>	<b>Some services listed below may be covered subject to deductibles and coinsurance as shown above</b>	<b>Some services listed below may be covered subject to deductibles and coinsurance as shown above</b>	<b>Services listed below are covered in full subject to copayments</b>
<b>Examinations</b>	Oral evaluations limited to twice per calendar year; Plan pays 100%*	Oral evaluations limited to twice per calendar year; Plan pays 90%*	Oral evaluations limited to twice per calendar year; Plan pays 100%
<b>X-Rays</b>	Covered subject to limitations; Plan pays 100%*	Covered subject to limitations; Plan pays 90%*	Covered subject to limitations; Plan pays 100%
<b>Cleanings (Oral Prophylaxis)</b>	Two cleanings per calendar year; Plan pays 100%*	Two cleanings per calendar year; Plan pays 90%*	Two cleanings per calendar year; Plan pays 100%
<b>Fluoride Applications</b>	Covered only for children under age 19; Twice per calendar year; Plan pays 100%*	Covered only for children under age 19; Twice per calendar year; Plan pays 90%*	Covered only for children under age 19; Twice per calendar year; Plan pays 100%

\* In the Dental Expense Plan, you are responsible for the amount the dentist charges above the reasonable and customary allowances.

## Dental Plans — Active Employees

DENTAL PLAN COMPARISON		
	IN-NETWORK	OUT-OF-NETWORK
<b>Tooth Sealants</b>	Covered for children under age 19 (with restrictions); Plan pays 100%*	Covered for children under age 19 (with restrictions); Plan pays 90%*
<b>Routine Fillings</b>	Plan pays 80%*	Plan pays 70%*
<b>Simple Extraction</b>	Plan pays 80%*	Plan pays 70%*
<b>Crowns</b>	Plan pays 65%*	Plan pays 55%*
<b>Root Canal (Endodontics)</b>	Plan pays 80%*	Plan pays 70%*
<b>Dentures</b>	Repair of existing dentures covered at 80%.* New or replacement dentures covered at 50%*	Repair of existing dentures covered at 70%.* New or replacement dentures covered at 40%*
<b>Oral Surgery for Removal of Impacted Tooth</b>	Plan pays 80%.* May be covered under the medical plan first, then dental will consider	Plan pays 70%.* May be covered under the medical plan first, then dental will consider
<b>Periodontics</b>	Plan pays 50% (with limitations)	Plan pays 40% (with limitations)
<b>Orthodontic</b>	After you have been an employee for 10 months, eligible services covered at a 50% coinsurance level, up to a \$1,000 lifetime maximum per child; Covered only for those who start treatment before age 19 (See Employee Dental Plans Member Guidebook for specifics)	After you have been an employee for 10 months, eligible services covered at a 40% coinsurance level, up to a \$750 lifetime maximum (maximum of \$1,000 combined in- and out-of-network) per child; Covered only for those who start treatment before age 19 (See Employee Dental Plans Member Guidebook for specifics)

\* In the Dental Expense Plan, you are responsible for the amount the dentist charges above the reasonable and customary allowances.

\*\* See the Employee Dental Plans Member Guidebook for DPO copayment amounts.

## **Dental Plans — Active Employees**

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*This fact sheet has been produced and distributed by:*

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P.O. Box 295, Trenton, NJ 08625-0295**

**(609) 292-7524  
For the hearing impaired: TRS 711 (609) 292-6683  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)**

## EMPLOYEE GROUP DENTAL PLANS

<https://www.state.nj.us/treasury/pensions/dental-plans.shtml>

PLAN NUMBER	PLAN NAME	WEB ADDRESS AND MEMBERSHIP SERVICES PHONE NUMBER
305	<b>Cigna Dental Health, Inc.</b>	<a href="http://www.cigna.com/sites/stateofnjdental">www.cigna.com/sites/stateofnjdental</a> 1-800-564-7642
307	<b>Healthplex</b> (International Health Care Services)	<a href="http://www.healthplex.com">www.healthplex.com</a> 1-800-468-0600
317	<b>Horizon Dental Choice</b>	<a href="http://www.horizonblue.com">www.horizonblue.com</a> 1-800-433-6825
319	<b>Aetna DPO</b>	<a href="http://www.aetna.com/statenj">www.aetna.com/statenj</a> 1-800-843-3661
320	<b>MetLife*</b>	<a href="http://www.metlife.com/dental">www.metlife.com/dental</a> 1-866-880-2984
399	<b>Dental Expense Plan</b> (PPO Administered by Aetna)	<a href="http://www.aetna.com/statenj">www.aetna.com/statenj</a> 1-877-782-8365

\* When searching for a MetLife dental provider on their Web site, select 'Dental HMO/Managed Care' as the Network Type and NJ SHBP/SEHBP Actives.

### Employee Dental Plans Member Handbook

Additional coverage information may be found in the Employee Dental Plans Member Handbook at: <https://www.state.nj.us/treasury/pensions/documents/guidebooks/hd0379.pdf>

## **Public Employees' Retirement System (PERS)**

### **Eligibility Criteria**

Membership in the retirement system is generally required as a condition of employment. You are required to enroll in the PERS if:

- You are employed on a regular basis in a position covered by Social Security; and
- You are scheduled to work at least 35 hours per week and
- You are not required to be a member of any other State or local government retirement system on the basis of the same position; **or if:**
- You are receiving a monthly retirement allowance from the PERS, you are scheduled to work more than the minimum number of hours per week required for PERS enrollment, and you earn more than \$15,000 annually. Please consult with your Benefits Services Associate as to how this will affect your retirement.

### **Member Contribution Rate**

Chapter 78, P.L. 2011, the Pension and Health Benefit Reform Law, increased the PERS contribution rate. The most recent increase was July 2013 which brought the contributions up to **6.78%**. Subsequent increases will then be phased in over 7 years (each July 1st) to bring the total pension contribution rate to **7.5%** of base salary as of July 1, 2018.

### **Pensionable Salary**

Your contribution rate is applied to your base salary to determine pension deductions. Base salary does not include overtime, bonuses, or shift differential. Pension contributions are deducted from your salary each payday and reported to the PERS by your employer.

The PERS contribution rate for members is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions. Members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PERS unless a waiver is completed. Please see Fact Sheet #82 Defined Contribution Retirement Program (DCRP) If Ineligible for PERS, for additional information.

### **Designating a Beneficiary**

Once the member receives a copy of the Certificate of Payroll Deductions the members can register for the **Member Benefits Online System (MBOS)** and complete the **Designation of Beneficiary online**. Your PERS membership number is required and is listed on the Certificate of Payroll Deductions.

Members may access account information through the Member Benefits Online System (MBOS)  
<https://www.nj.gov/treasury/pensions/mbos-kit.shtml>

## **Information for new employees transferring an active PERS account:**

An **Intrafund Transfer** is the transfer of a pension account from one employer to another employer within the *same* New Jersey State-administered retirement system.

To be eligible for an Intrafund Transfer:

- The member must have *not* withdrawn from the retirement system; and
- It must be *less than* two consecutive years since the last pension contribution; and
- The member must meet all of the eligibility requirements for retirement system membership with the new employer.
- A Report of Transfer form must be completed and submitted to the HR Benefits Services Associate.

## **For information regarding your PERS membership please visit:**

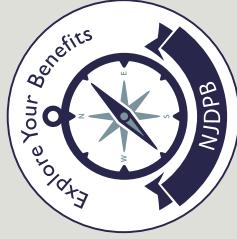
-Division of Pensions and Benefits PERS website

<https://www.nj.gov/treasury/pensions/pension-active-pers.shtml>

-PERS Member Handbook

<https://www.nj.gov/treasury/pensions/documents/guidebooks/persbook.pdf>

# Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPAF Enrollment



Information for:  
Employees below the minimum  
salary or hours required  
for PERS or TPAF enrollment

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage.

## ELIGIBILITY

This fact sheet addresses DCRP membership for employees who do not earn the minimum salary or work the minimum hours required for enrollment in the Public Employees' Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF). Employees who are already enrolled in a New Jersey State-administered retirement system should refer to the *Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits* Fact Sheet. Elected and appointed officials should refer to the *Defined Contribution Retirement Program (DCRP) for Elected and Appointed Officials* Fact Sheet. These fact sheets are available on our website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

Employees hired on or after November 2, 2008, and on or before May 21, 2010, must earn a minimum base salary of \$8,400\* or more per year to be eligible for enrollment in Tier 3 of the PERS or TPAF. Any employee otherwise eligible to enroll in Tier 3 of the PERS or TPAF who does not earn the required

minimum annual salary, but earns a minimum base salary of \$5,000 or more, must be enrolled in the DCRP. Employees enrolled after May 21, 2010, must work a minimum of 35 hours per week if a State employee, or 32 hours per week if a local government or local education employee, to be eligible for enrollment in Tier 4 or Tier 5 of the PERS or TPAF.

This fact sheet addresses DCRP membership for employees who do not earn the minimum salary or work the minimum hours required for enrollment in the Public Employees' Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF). Employees who are already enrolled in a New Jersey State-administered retirement system should refer to the *Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits* Fact Sheet. Elected and appointed officials should refer to the *Defined Contribution Retirement Program (DCRP) for Elected and Appointed Officials* Fact Sheet. These fact sheets are available on our website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

Employees hired on or after November 2, 2008, and on or before May 21, 2010, must earn a minimum base salary of \$8,400\* or more per year to be eligible for enrollment in Tier 3 of the PERS or TPAF. Any employee otherwise eligible to enroll in Tier 3 of the PERS or TPAF who does not earn the required

minimum annual salary, but earns a minimum base salary of \$5,000 or more, must be enrolled in the New Jersey Division of Pensions & Benefits (NJD-PB). Member contributions are matched by a three percent employer contribution. Contributions are required from the date of DCRP eligibility. If any back deductions are owed, employers must schedule and remit them to the DCRP.

## If Eligible Later for the PERS or TPAF

If an employee enrolled in the DCRP earns sufficient salary or works sufficient hours at a later date to qualify for enrollment in the PERS or TPAF, the employee will be enrolled in the PERS or TPAF.

Upon becoming a PERS or TPAF member, contributions to the DCRP will cease; however, prior contributions remain invested in the DCRP pending retirement or termination of employment.

Contributions to the DCRP cannot be transferred to the PERS or TPAF, and service credit as a DCRP member cannot be purchased as PERS or TPAF service credit.

A PERS or TPAF employee may once again become eligible for the DCRP if:

- The annual salary falls below the minimum salary required for PERS or TPAF Tier 3 membership; deductions will cease and the member will contribute to the DCRP plan;

\*The Tier 3 minimum base salary is subject to adjustment annually in accordance with changes in the Consumer Price Index.

# Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPAF Enrollment

This fact sheet is a summary and not intended to provide all information. Although every attempt at accuracy is made, it cannot be guaranteed.

- The number of work hours falls below the minimum hours per week required for PERS or TPAF Tier 4 or Tier 5 membership; deductions will cease and the member will contribute to the DCRP plan;
- The annual salary is in excess of the maximum compensation limit (members enrolled in the PERS or TPAF on or after July 1, 2007) — see the *Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits Fact Sheet*; or
- The employee becomes a State or local elected or appointed official — see the *Defined Contribution Retirement Program (DCRP) for Elected and Appointed Officials Fact Sheet*.

## Transfer of PERS or TPAF Membership

Employees who are PERS or TPAF members and transfer to another PERS or TPAF position are subject to the minimum salary or minimum hours of their existing PERS or TPAF membership tier if any of the following situations apply:

- The member transfers to a PERS- or TPAF-eligible position without a break in service;
- Any break in service is 24 consecutive months or less from the date of the last PERS or TPAF pension contribution, and the account has not been withdrawn;
- Any break in service is 24 consecutive months or less from the end of an approved leave of absence; or
- The member's job is lost through no fault of the member (laid off or position is abolished — not terminated voluntarily or for cause) and the member returns to PERS or TPAF employment within 10 years of the termination date.

- If a member transfers into the PERS or TPAF after a break in service that falls beyond the exceptions described above, the member will be subject to the Tier 4 or Tier 5 minimum hours requirement,\* regardless of the previous membership tier status.
- If the work hours fall below the Tier 4 or Tier 5 minimum requirement, the employee will be ineligible for transfer into the PERS or TPAF but will be eligible for DCRP enrollment if the annual salary is at least \$5,000.

## PERS and TPAF Maximum Wage

In addition, Tier 2, Tier 3, Tier 4, and Tier 5 members are subject to a maximum wage limit for PERS or TPAF pension contributions. The maximum wage limit for 2022 is \$147,000 and is subject to annual adjustment. Members who earn in excess of the annual maximum wage will be enrolled in the DCRP in addition to the PERS or TPAF. See the *Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits Fact Sheet* for more information.

## Vesting

- Employer contributions are not vested in a DCRP member's account until after the member commences the second year of employment, unless at the time of initial employment the member either 1) participates in a program substantially similar to the DCRP program, or 2) is a member of another New Jersey State-administered retirement system.
- As a vested member, you have a right to a benefit at retirement based on both the employee and employer contributions to the DCRP.
- The member transfers to a PERS- or TPAF-eligible position without a break in service;
  - Any break in service is 24 consecutive months or less from the date of the last PERS or TPAF pension contribution, and the account has not been withdrawn;
  - Any break in service is 24 consecutive months or less from the end of an approved leave of absence; or
  - The member's job is lost through no fault of the member (laid off or position is abolished — not terminated voluntarily or for cause) and the member returns to PERS or TPAF employment within 10 years of the termination date.

## WITHDRAWAL

Withdrawal occurs when a non-vested DCRP member separates from covered employment and submits

- If a member transfers into the PERS or TPAF after a request to Prudential for a withdrawal of contributions. Only the member's contributions are available for withdrawal — employer contributions are forfeited. After a withdrawal, the individual is eligible for reenrollment in the DCRP, or enrollment in another New Jersey State-administered retirement system, upon return to covered employment.

## RETIREMENT

Retirement occurs when a vested DCRP member separates from covered employment and elects to receive a distribution of funds containing both employer and employee contributions plus interest. This action deems the former participant as retired and, therefore, ineligible to re-enroll in the DCRP or participate in any other New Jersey State-administered retirement system.

An ABP/DCRP *Withdrawal Request Acknowledgment Receipt* must be completed in order to receive funds. This form is available in the "Publications" section of our website.

## Applying For Retirement

Six months before retirement, a member should contact the employer and Prudential for information regarding DCRP benefits and options. A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of vested contributions.

\*Tier 4 or Tier 5 members must work a minimum of 35 hours per week if a State employee, or 32 hours per week if a local government or local education employee.

# Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPaf Enrollment

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A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any New Jersey State-administered retirement system. DCRP members considering future employment in a position covered by any of the New Jersey State-administered retirement systems should carefully consider this impact before requesting a distribution.

## Health Benefits at Retirement

It is important to note that service time from enrollment in the DCRP cannot be used to qualify for State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) coverage at retirement. Please contact your employer's human resources office or benefits administrator to ask about health benefit coverage options available in retirement.

## LIFE INSURANCE COVERAGE

While employed, a DCRP member is covered by employer-paid life insurance, payable to designated beneficiaries in the amount of 1.5 times the annual base salary on which DCRP contributions were based. This coverage is available without a medical examination to members under age 60. Newly enrolled members 60 years of age or older must undergo a medical examination to qualify.

DCRP members will continue to be insured for up to two years if on an approved leave of absence without pay for personal illness.

**Note:** The Internal Revenue Service (IRS) classifies all life insurance coverage over \$50,000 as a fringe benefit subject to taxation. While the amount of the life insurance coverage is not taxable, the premium required to pay for the life insurance coverage is taxable. Members can elect to waive insurance coverage over \$50,000 at any time.

Upon retirement, life insurance under the DCRP reduces to 3/16 of the annual base salary on which DCRP contributions were based.

This life insurance coverage is available in retirement only to:

- Members age 60 or older if the member has completed 10 years of participation in the DCRP; or
- Members of any age if the member has completed 25 years of participation in the DCRP.

The member also must have been an active employee in the 12 months immediately preceding the initial receipt of a retirement annuity payment.

## Conversion

Other than the retired insurance benefit previously described, life insurance coverage under the DCRP ceases 31 days after termination of employment. During the 31-day period following termination of employment, a member may convert existing group life insurance coverage (less any amount of coverage carried over into retirement) into an individual policy, without medical examination. For more information, see the *Conversion of Group Life Insurance Fact Sheet*.

## LONG-TERM DISABILITY COVERAGE

A member is eligible for employer-paid long-term disability insurance coverage after one year of participation in the DCRP.

The member becomes eligible for the long-term disability benefit after six consecutive months of total disability due to an occupational or non-occupational condition.

To be considered totally disabled due to sickness or accidental bodily injury, the member must be unable to perform any and every duty pertaining to his/her occupation. The member need not be confined to home, but must be under a doctor's regular care.

If a member is totally disabled, he/she is eligible to receive a regular monthly income benefit up to 60 percent of the base salary on which DCRP contribu-

tions were based during the 12 months preceding the onset of the disability. While disabled, the member and the employer's mandatory contributions are automatically credited to the member's retirement account.

The monthly income benefit is offset by any other periodic benefit the member may be receiving, such as Workers' Compensation, short-term disability, or Social Security.

Eighteen months after the onset of long-term disability eligibility, the member must be unable to engage in any gainful occupation for which the member is reasonably suited by education, training, or experience. Total disability is not considered to exist if the member is gainfully employed, incarcerated, or if the disability resulted from an act of war or was intentionally self-inflicted.

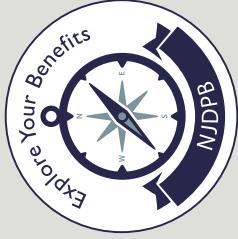
Long-term disability benefits will be paid as long as the member remains disabled or until the member attains age 70. Should the member begin receiving payments under the retirement annuity, these benefits terminate.

## CONTACTING THE DCRP

For more information regarding the DCRP, please visit Prudential's DCRP website at: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp) or call toll-free 1-855-657-5267.

*This fact sheet has been produced and distributed by:  
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P.O. Box 295, Trenton, NJ 08625-0295  
(609) 292-7524  
For the hearing impaired: TRS 711 (609) 292-6683  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)*

# Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits



## Defined Contribution Retirement

### Program (DCRP) Enrollment

### Due to Maximum Compensation Limits

**Information for:**  
 Public Employees' Retirement System (PERS)  
 Teachers' Pension and Annuity Fund (TPAF)  
 Police and Firemen's Pension Fund (PFRS)  
 State Police Retirement System (SPRS)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage.

#### ELIGIBILITY

This fact sheet addresses DCRP membership for employees already enrolled in the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (SPRS), or State Police Retirement System (PFRS) whose salary exceeds the maximum pensionable compensation limit. The *Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPAF Enrollment and the Defined Contribution Retirement Program (DCRP) for Elected and Appointed Officials* Fact Sheets are also available on our website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

the DCRP in addition to the PERS, TPAF, PFRS, or SPRS (as appropriate).

PERS/TPAF ANNUAL YEAR	MAXIMUM WAGE
2009, 2010, and 2011	\$106,800
2012	\$110,100
2013	\$113,700
2014	\$117,000
2015 and 2016	\$118,500
2017	\$127,200
2018	\$128,400
2019	\$132,900
2020	\$137,700
2021	\$142,800
2022	\$147,000

#### Optional Waiver

A PERS, TPAF, PFRS, or SPRS member who is also eligible for the DCRP due to the maximum compensation limit can choose to voluntarily waive participation in the DCRP by submitting a *DCRP Waiver of Retirement Program Participation* form to the New Jersey Division of Pensions & Benefits (NJDDB).

If a member waives DCRP participation and later wishes to participate, he or she can apply for DCRP enrollment, with membership to be effective January 1 of the following calendar year.

#### ENROLLMENT

Eligible members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

- Upon enrollment into the PERS, TPAF, PFRS, or SPRS when an annual base salary is reported on the *Enrollment Application* that exceeds the maximum compensation; or
  - When an eligible member's annual salary is increased to a level that exceeds the maximum compensation and it is reported by the employer to the NJDDB (either by directly contacting the NJDDB, or when submitted by the employer on the Quarterly Report of Contributions).
- When enrolled in the DCRP, members contribute 5.5 percent of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential, which jointly

# Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits

administers the DCRP investments with the NJD-PB. Member contributions are matched by a three percent employer contribution based on the salary in excess of the maximum compensation limit.

It is important that an employer enroll a DCRP-eligible member as soon as it is known that the employee's annual salary will exceed the maximum compensation so the DCRP account can be established in advance of collection of any required contributions. Contributions are required from the date of DCRP eligibility. If any back deductions are owed, employers must schedule and remit them to the DCRP.

## Transfers

Employees who transfer employment will not be subject to maximum compensation limits or DCRP enrollment if:

- The transferring employee was a member of the PERS or TPAF on or before June 30, 2007; or
- The transferring employee was a member of the PFRS or SPRS on or before May 21, 2010; and
  - If the member is transferring to an eligible position without a break in service; or
  - If any break in service is 24 months or less from the date of the last contribution to the retirement system and the member's account has not been withdrawn; or
  - If any break in service is 24 months or less from the end of an approved leave of absence.

If a member transfers after a break in service that falls beyond the 24-month exceptions described above, the member will be subject to the maximum compensation rules and DCRP enrollment.

**Vesting**  
A PERs, TPAF, PFRS, SPRS, or Alternate Benefits Program (ABP) member who becomes eligible and is enrolled in the DCRP is immediately vested in the DCRP. As a vested member, you have a right to a benefit at retirement based on both the employee and employer contributions to the DCRP.

## WITHDRAWAL

Withdrawal occurs when a DCRP member separates from covered employment and submits a request to Prudential for a withdrawal of contributions. Only the member's contributions are available for withdrawal — employer contributions are forfeited. After a withdrawal, the individual is eligible for re-enrollment in the DCRP or enrollment in another New Jersey State-administered retirement system upon return to covered employment.

## RETIREMENT

Retirement occurs when a DCRP member separates from covered employment and elects to receive a distribution of funds containing both employer and employee contributions plus interest. This action deems the former participant as retired and, therefore, ineligible to re-enroll in the DCRP or participate in any other New Jersey State-administered retirement system.

An ABP/DCRP Withdrawal Request Acknowledgment Receipt must be completed in order to receive funds. This form is available in the "Publications" section of our website.

## Applying for Retirement

Six months before retirement, a member should contact his/her employer and Prudential for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of vested contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any New Jersey State-administered retirement system. DCRP members considering future employment in a position covered by any of the New Jersey State-administered retirement systems should carefully consider this impact before requesting a distribution.

## Health Benefits at Retirement

Please note that service time from enrollment in the DCRP cannot be used to qualify for State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) coverage at retirement; however, retirement system members who also participate in the DCRP through earnings in excess of the maximum wage will continue to earn credit toward SHBP/SEHBP coverage through their retirement system service.

Please contact your employer's human resources office or benefits administrator to ask about health benefit coverage options available in retirement.

# Defined Contribution Retirement Program (DCRP) Enrollment Due to Maximum Compensation Limits

This fact sheet is a summary and not intended to provide all information.  
Although every attempt at accuracy is made, it cannot be guaranteed.

## LIFE INSURANCE COVERAGE

While employed, PERS, TPAF, PFRS, or SPRS members enrolled in the DCRP are covered by employer-paid life insurance, payable to their designated beneficiaries in the amount of 1.5 times the annual base salary on which DCRP contributions are based. This coverage is available without a medical examination to members under age 60. Newly enrolled members 60 years of age or older must undergo a medical examination to qualify.

DCRP members will continue to be insured for up to two years if on an approved leave of absence without pay for personal illness.

**Note:** The Internal Revenue Service (IRS) classifies all life insurance coverage over \$50,000 as a fringe benefit subject to taxation. While the amount of the life insurance coverage is not taxable, the premium required to pay for the life insurance coverage is taxable. Members can elect to waive insurance coverage over \$50,000 at any time.

Upon retirement, life insurance under the DCRP is reduced to 3/16 of the annual base salary on which DCRP contributions were based.

This life insurance coverage is available in retirement only to:

- PERS, TPAF, PFRS, or SPRS members enrolled in the DCRP who are age 60 or older if the member has completed 10 years of participation in the DCRP, PERS, TPAF, PFRS, or SPRS; or
- PERS, TPAF, PFRS, or SPRS members enrolled in the DCRP who are any age if the member has completed 25 years of participation in the DCRP, PERS, TPAF, PFRS, or SPRS.

The member also must have been an active employee in the 12 months immediately preceding the initial receipt of a retirement annuity payment.

## LONG-TERM DISABILITY COVERAGE

A member is eligible for employer-paid long-term disability insurance coverage after one year of participation in the DCRP.

The member becomes eligible for the long-term disability benefits after six consecutive months of total disability due to an occupational or nonoccupational condition.

To be considered totally disabled due to sickness or accidental bodily injury, the member must be unable to perform any and every duty pertaining to his/her occupation. The member need not be confined to home, but must be under a doctor's regular care.

If a member is totally disabled, he/she is eligible to receive a regular monthly income benefit up to 60 percent of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability. While disabled, the member's and the employer's mandatory contributions are automatically credited to the member's retirement account.

The monthly income benefit is offset by any other periodic benefit the member may be receiving, such as Workers' Compensation, short-term disability, or Social Security.

Eighteen months after the onset of long-term disability eligibility, the member must be unable to engage in any gainful occupation for which he/she is reasonably suited by education, training, or experience. Total disability is not considered to exist if the member is gainfully employed, incarcerated, or if the disability resulted from an act of war or was intentionally self-inflicted.

Long-term disability benefits will be paid as long as the member remains disabled or until the member attains age 70. Should the member begin receiving payments under the retirement annuity, these benefits terminate.

## CONTACTING THE DCRP

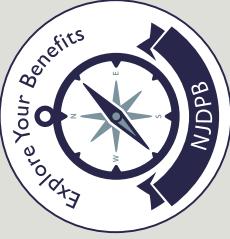
For more information regarding the DCRP, please visit Prudential's DCRP website at: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp) or call toll-free 1-866-653-2771.

This fact sheet has been produced and distributed by:

New Jersey Division of Pensions & Benefits  
P.O. Box 295, Trenton, NJ 08625-0295

(609) 292-7524  
For the hearing impaired: TRS 711 (609) 292-6683  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

# Deferred Compensation — NJSEDCP



Information for:  
State of New Jersey Employees

## OVERVIEW

The New Jersey State Employees Deferred Compensation Plan (NJSEDCP) provides you, as an eligible State employee, an opportunity to voluntarily shelter a portion of your wages from federal income taxes while saving for retirement to supplement your Social Security and pension benefits. Under the Plan, federal income tax is not due on deferred amounts or accumulated earnings until you receive a distribution (payment) from your account. Presumably, distribution is at retirement when your tax rate is expected to be lower.

## ELIGIBILITY FOR ENROLLMENT

To enroll in the NJSEDCP, you must be employed by the State of New Jersey or an eligible agency, authority, commission, or instrumentality of State government. If you are employed through a county, township, or municipality, and not paid directly by the State of New Jersey or one of its agencies, you are not eligible for the NJSEDCP.

## MANAGING YOUR INVESTMENTS

As a participant in the NJSEDCP, you have the ability to make changes on your account such as increase, decrease, suspend, or resume deferral percentages. You may also change your investment elections to any of the 20 pre-approved products offered under Prudential.

## DISTRIBUTION OF YOUR MONEY FROM THE PLAN

Your NJSEDCP account may be distributed following severance of employment due to termination, retirement, or disability. Distribution is also permitted in the case of an unforeseeable financial hardship, as defined under IRC Section 457, following approval by the NJSEDCP Board. In-service distributions are permitted on smaller, inactive accounts.

If your account balance is less than \$5,000 at the time of distribution as a result of severance of employment, you must take a lump-sum payment. If your account balance is \$5,000 or more, you may elect:

1. A one-time lump-sum payment;
  2. A portion of your account in a specific dollar amount; or
  3. Periodic installment payments.
- If your account balance is \$5,000 or more, you may elect:
1. A one-time lump-sum payment;
  2. A portion of your account in a specific dollar amount; or
  3. Periodic installment payments.

## PLAN ADMINISTRATION

The NJSEDCP, governed by the guidelines of Internal Revenue Code (IRC) Section 457 and the laws of the State of New Jersey, is administered by Prudential Financial for the State of New Jersey. Individual participant's accounts are maintained by the Administrator and statements of account are furnished quarterly. All Plan expenses are borne by the participants, and notification of administrative fees is provided at enrollment. The Deferred Compensation Board is the final authority on all matters concerning the operation of the Plan; by law, the State Investment Council has the right to supervise certain aspects of the Plan including the investment of assets.

## Deferred Compensation — NJSEDCP

Upon severance of employment, you may begin your account distribution as soon as administratively feasible, you may elect a future distribution date, or you may do nothing. However, you must begin receiving distribution no later than April 1 of the year following your attainment of age 70 1/2 (if born before July 1, 1949), or age 72 (if born on or after July 1, 1949), or the year of employment termination, whichever is later. For daily valued funds, your account will be valued at the close of the day prior to your distribution date. For monthly valued funds, your account will be valued at the close of the month prior to your election for payment. A *Distribution Election* form must be completed and returned to the Plan office.

### Tax Consequences

The NJSEDCP is an eligible deferred compensation plan under IRC Section 457. Distributions from the Plan may be eligible for rollover; however, they do not qualify for special five-year or 10-year averaging. Distributions are defined as pension payments and are subject to federal income tax, unless rolled over to another retirement plan.

### **QUESTIONS**

Contact Prudential Financial or the NJSEDCP through the New Jersey Division of Pensions & Benefits in writing or call 1-866-NJSEDCP. The NJSEDCP office can answer your questions about the Plan and your account, and can provide any necessary forms.

Additional information on account and investment options is also available from Prudential Financial at: [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp)

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(609) 292-7524

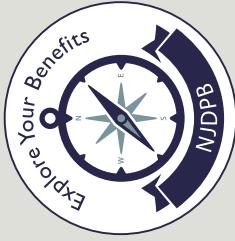
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### If You Die Before Distribution Is Complete

At the time of your death, your executor, beneficiary, or a family member should contact Prudential Financial at 1-866-NJSEDCP. Your beneficiary will be notified of the options for account distribution. Beneficiaries have the same distribution options available to members who terminate employment; however, the maximum period for periodic installment payments to non-spousal beneficiaries cannot exceed five years. Beneficiaries receiving distributions are subject to the same tax consequences as the original member.

# Tax\$ave



## TAX\$AVE ELIGIBILITY

Tax\$ave, a benefit program available under Section 125 of the federal Internal Revenue Code (IRC), allows eligible employees of the State of New Jersey to set aside before-tax dollars to pay for certain medical, dental, and dependent care expenses, thereby avoiding federal taxes and saving money.

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

## The three components of Tax\$ave are:

- The Premium Option Plan (POP) allows an employee to pay any SHBP medical and/or dental payroll contributions or premiums with before-tax dollars;
- The Unreimbursed Medical Flexible Spending Account (FSA) allows an employee to set aside money to pay for qualified medical and dental expenses not paid by any group benefits plan under which the employee and dependents are covered; and
- The Dependent Care FSA allows an employee to set aside funds to pay for anticipated expenses related to dependent care in order to permit the employee and spouse to work.

## Section 125 Plans for Local Employees

P.L. 2011, c. 78 (Chapter 78), requires local government and local education employers to offer Section 125 plans to their employees.

Local employers must establish their own Section 125 programs.

Local government and local education employees should contact their human resources office or benefits administrator to determine the specific plans and benefits that are available.

## TAX\$AVE COMPONENT PLANS

Tax\$ave consists of three separate component plans. An eligible employee may elect to participate in any combination — all, some, or none of the plans.

Information for:  
State Employees who are Eligible for the State Health Benefits Program (SHBP)

The amount of your savings depends on a variety of factors, such as the amount of the contributions or premiums and your income tax filing status. The plan runs on a calendar-year basis.

If you have a payroll contribution or premium deduction for medical and/or dental coverage, you are automatically enrolled in the POP and will pay less in taxes. If you choose to decline enrollment in the POP, you must sign and return a *Declination of Premium Option Plan (POP)* form each year to your benefits administrator.

POP will increase your take-home pay by reducing your taxes; it does not change the medical and/or dental contributions or premiums you are required to pay.

## Effect of the POP on SHBP Rules and Procedures

The Internal Revenue Service (IRS) strictly regulates the POP because of the tax advantages provided. IRS rules require that for an employee covered by the POP, payroll deductions for medical and dental plan benefits remain the same for the entire plan year. Therefore, no coverage level change can be made which results in a change in the amount of your medical and/or dental plan deduction unless a qualifying event occurs. If a qualifying event does occur, you may make a change by submitting a completed SHBP medical and/or dental plan application to your employer within 60 days of the event or during the annual Open Enrollment period.

## Qualifying Events

Plan elections in effect at the beginning of the plan year will continue throughout the calendar year or upon the occurrence of a qualifying event. The following are considered qualifying events:

- A marriage. You may enroll your spouse and any other eligible dependents. See the "Civil Union Partners, Domestic Partners, and Tax\$ave" section;
- Addition of an eligible dependent due to birth, adoption, or legal guardianship;
- A change in family status involving the loss of eligibility of a family member (divorce, death);
- A move outside an HMO service area;
- The termination of your employment for any reason, including retirement;
- An approved unpaid leave of absence. You are entitled to elect the POP upon return to active employment;
- A change in your eligible dependent's employment status resulting in his/her loss of medical and/or dental coverage; and
- Such other events that may be determined to be appropriate and in accordance with applicable IRS regulations.

## Note: Federal law prohibits participation in both a FSA and a Health Savings Account (HSA). Therefore,

if you are enrolled in a High Deductible Health Plan (HDHP), you are not eligible to enroll in this plan. Under the Unreimbursed Medical FSA, each calendar year you may set aside up to \$2,500 of your salary before taxes in a health care spending account, so that you and your eligible dependents can be reimbursed for eligible expenses incurred during the year.

Eligible expenses include copayments and deductibles for medical, prescription, and dental bills, qualified expenses for medical services not covered by health plans or your State vision plan such as contact lenses solution, hearing aids, etc., and other health care expenses you can deduct on your income tax, except payroll contributions or premium deductions for health care which are covered under the POP. See the "Premium Option Plan (POP)" section.

**Note:** Pay your out-of-pocket medical bills using a Horizon MyWay Visa® Health Care Card or get reimbursed by submitting a claim online.

IRS Publication 502 – *Medical and Dental Expenses*, provides a complete list of services eligible for reimbursement.

## UNREIMBURSED MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Unreimbursed Medical FSA allows you to save taxes on out-of-pocket medical and dental expenses that reduce your spendable income. Contributing money to the Medical FSA can result in a reduction in taxes because the money you contribute to your account is free from federal income, Social Security, and Medicare taxes, and remains tax-free when you receive it. The plan allows you to set aside up to \$5,000 of your salary before taxes each calendar year to pay for qualified dependent care expenses incurred in that calendar year. You then file claims for reimbursement of eligible expenses. Note that when you file your Dependent Care FSA claim, you cannot be fully reimbursed until your contributions to date are at least equal to the amount of your claim.

When you file your claim, you will be reimbursed for up to the total amount you have elected to contribute, whether or not your contributions to date have totaled the amount of your claim. When filing for reimbursement, you must verify that you have not been reimbursed for the expense from any other source.

While the federal government offers a federal income tax deduction for unreimbursed eligible health care expenses which exceed 7.5 percent of your adjusted gross income, the Unreimbursed Medical FSA offers tax-free reimbursement on every dollar of your eligible expenses, which may provide immediate tax savings for those who do not meet the medical expense deduction threshold. In addition, the Unreimbursed Medical FSA saves you Social Security and Medicare taxes — another 7.65 percent on every dollar. Keep in mind, however, that you cannot deduct expenses reimbursed by the Unreimbursed Medical FSA on your federal income tax.

## **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)**

If you have to pay for care for your dependents in order to work, you may want to take advantage of the Dependent Care FSA plan. Contributing money to the Dependent Care FSA can result in a reduction in taxes because the money you contribute to your account is free from federal income, Social Security, and Medicare taxes, and remains tax-free when you receive it. The plan allows you to set aside up to \$5,000 of your salary before taxes each calendar year to pay for qualified dependent care expenses incurred in that calendar year. You then file claims for reimbursement of eligible expenses. Note that when you file your Dependent Care FSA claim, you cannot be fully reimbursed until your contributions to date are at least equal to the amount of your claim.

## Using Your Unreimbursed Medical FSA

First, you must estimate how much you will spend on unreimbursed health care during the plan year. Based on the amount you elect, contributions will be taken out of your paycheck each pay cycle throughout the calendar year. It is important to base this estimate on past experience because unused contributions must be forfeited.

You may submit claims to the Medical FSA for unreimbursed expenses between January 1 of the plan year and March 15 of the following year (e.g., January 1, 2020, through March 15, 2021). Claim forms for eligible expenses must be submitted no later than April 30 of the following year.

# Tax\$ave

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Eligible dependents include an employee's children below age 13, the employee's non-working spouse if physically or mentally incapable of self-care, and any other person considered a dependent for tax purposes who is incapable of self-care and who normally spends at least eight hours each day in the employee's home. The types of services eligible for reimbursement include a qualified day care center, nursery school, or summer day camp (but not overnight camp), babysitting services if needed to allow the employee to work, a housekeeper whose duties include day care, and someone who cares for an elderly or incapacitated dependent.

*IRS Publication 5033 – Child and Dependent Care Expenses*, provides a complete list of dependent care expenses.

## Using Your Dependent Care FSA

First, you must estimate how much you will spend on dependent care during the plan year. Based on the amount you elect, contributions will be taken out of your paycheck each pay cycle throughout the calendar year. It is important to base this estimate on past experience because unused contributions must be forfeited.

You may submit claims to the FSA for dependent care provided between January 1 of the plan year and March 15 of the following year (e.g., January 1, 2020, through March 15, 2021). Claim forms for eligible services must be submitted no later than April 30 of the following year.

The federal government offers a dependent care tax credit on your federal income tax that you can use instead of the Dependent Care FSA. You will have to decide which method is better for you based on your income and personal tax status. Keep in mind, however, that any payment received from the Dependent Care FSA will reduce dollar for dollar the amount that can be considered for dependent care tax credit and vice versa.

Under the federal dependent tax credit provision, you can take a direct tax credit on your income taxes ranging from 20 percent to 30 percent of your eligible dependent care expenses. With the tax credit, eligible care expenses are limited to an annual maximum of \$2,500 for one dependent or \$5,000 for two or more dependents.

Generally, if your adjusted gross income is more than \$24,000 a year, using the Dependent Care FSA is better. For example, if you are paying \$90 per week (about \$4,700 per year) for day care and you are in the 15 percent federal tax bracket, you would save \$1,060 in taxes by paying your day care bills through your Dependent Care FSA. If you are in the 28 percent federal tax bracket, your savings would be \$1,670.

## USE IT OR LOSE IT

Under either the Unreimbursed Medical FSA or the Dependent Care FSA, any unused contributions remaining in an account at the end of the plan year are forfeited. You have until April 30 of the following year to file for eligible reimbursement.

## CONTINUATION UNDER COBRA

The federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that most group health plans, including 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 of coverage will have the same rights under the plan as other participants or beneficiaries covered under the plan. COBRA is available under Tax\$ave only for Unreimbursed Medical FSAs, not for Dependent Care FSAs.

The Tax\$ave Unreimbursed Medical FSA 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 — not the full 18 months of COBRA. Also, the limited COBRA option 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 — and ineligible to participate in COBRA — if the contributions paid to date are less than the claims paid out.

**Example:** Arnold has an Unreimbursed Medical FSA annual election of \$1,000 for the current plan year. He terminates employment in July and has paid \$500 in payroll (pre-tax) contributions up to his termination date, but has received only \$200 in reimbursement. The \$300 balance (\$500 in contributions minus \$200 in claims) is considered underspent and allows Arnold to participate in COBRA. If Arnold was overspent, he could not participate in COBRA.

Tax\$ave coverage terminates on the date that employment ends. If Arnold does not enroll in COBRA, the \$300 balance will be forfeited, unless he can submit \$300 of claims incurred prior to termination.

Since Arnold does not have qualified expenses that he can immediately submit against the \$300 balance, he elects to participate in COBRA. He will complete and return the COBRA Election Form and send in the first COBRA payment. Once his first payment has been received, Arnold is eligible to submit claims that were incurred after his termination from employment. Arnold can continue to incur and submit claims through the end of the Tax\$ave plan year, or until he has exhausted his original election for the Unreimbursed Medical FSA benefit of \$1,000.

Arnold's Form W-2 will show \$500 of Section 125 Medical Expense Plan Contributions.

## Election for Continuation Coverage

The COBRA Notice and COBRA Application will be mailed to each eligible participant by the company administering the Tax\$Save Unreimbursed Medical FSA for the State of New Jersey. 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 Application.

## First Payment for Continuation Coverage

If you elect continuation of coverage, you must make your first payment for continuation of coverage within 45 days after the date of your election. (This is the date the COBRA Application is postmarked, if mailed.) If you do not make your first payment within the 45 days, you will lose all continuation of coverage rights under the Unreimbursed Medical FSA. Your first payment must cover the cost of continuation of coverage from the time your coverage under Tax\$Save 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 WageWorks, Inc. (see the "FSA Plan Administration" section) to confirm the correct amount of your first payment. Instructions for sending your first payment for continuation of coverage will be shown on your COBRA Notice.

**Note:** All COBRA payments are made with after-tax dollars, which negates the tax savings advantage 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 of coverage, you will be required to pay for continuation of coverage for each subsequent month of coverage. Under the Unreimbursed Medical FSA, 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 COBRA Application.

## 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 of 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 make a periodic payment later than its due date but during its grace period, your coverage under the Unreimbursed Medical FSA 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 once 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 Unreimbursed Medical FSA.

For more information about your COBRA rights, please contact Horizon MyWay® (see the "FSA Plan Administration" section for contact information), or 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)

## FSA PLAN ADMINISTRATION

Horizon MyWay® administers the Unreimbursed Medical FSA and Dependent Care FSA plans for the State of New Jersey and the New Jersey Division of Pensions & Benefits (NJDPB).

If you have questions about the Unreimbursed Medical FSA or the Dependent Care FSA, contact Horizon MyWay® Customer Service at 1-888-215-0025 Monday through Friday from 8:00 a.m. to 9:00 p.m., or visit: [www.HorizonBlue.com](http://www.HorizonBlue.com)

The Horizon MyWay® website is also available through the Tax\$Save link on the NJDPB website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

## TAX\$SAVE ADMINISTRATION AND APPEALS

The NJDPB is the overall administrator of Tax\$Save for the State of New Jersey.

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

**New Jersey Division of Pensions & Benefits  
Tax\$Save Plan Administrator  
P.O. Box 295  
Trenton, NJ 08625-0295**

Any request for appeal must include:

- The date of the services for which your request was denied, if applicable;
- A copy of the denied request, if available;
- The reason for your appeal; and
- Any additional documents, information, or comments you think may have a bearing on your appeal.

This fact sheet is a summary and not intended to provide all information. Although every attempt at accuracy is made, it cannot be guaranteed.

Appeal requests and supporting documentation will be reviewed and you will be notified of the results within 30 business days of receipt. 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.

## SOCIAL SECURITY IMPLICATIONS

Since payments to the POP and FSAs lower annual earnings against which Social Security deductions or employer contributions are made, there is a concern that participation in these plans would result in reduced Social Security benefits at retirement.

If you were born after 1928, your Social Security benefits are calculated using a 35-year average of your earnings. A reduction of even \$2,000 a year over some portion of this 35-year span would have little effect on your average salary and, therefore, minimal impact on your Social Security benefits. The Social Security Administration has provided us with an example of an employee who retired in 1998 at age 65, whose wages had been at the maximum wages subject to Social Security deductions. Upon retirement, this individual's monthly Social Security allowance was \$1,343. If that same person had been contributing \$2,000 a year for the last 10 years to a FSA, the subsequent reduction in Social Security wages would have produced a monthly Social Security allowance of \$1,335, a difference of only \$8 per month.

## CIVIL UNION PARTNERS, DOMESTIC PARTNERS, AND TAX\$AVE

The IRS does not recognize a New Jersey civil union partner or same-sex domestic partner as a dependent for tax purposes in the same manner that it recognizes a spouse or the dependent children of an employee. Therefore, your employer may have to treat civil union or same-sex domestic partner benefits as federally taxable.

As a result, a partner must be able to qualify as a tax dependent of the employee for federal tax filing purposes — under IRC Section 152 — before an out-of-pocket medical expense incurred by the partner can be reimbursed under the Unreimbursed Medical FSA, and before any premiums that the employee pays for the partner's coverage can be made on a pre-tax basis under the POP. See IRS Publication 503 – Dependents, for additional information on the requirements for establishing dependent status for federal tax purposes.

If the civil union partner or same-sex domestic partner is not a qualified tax dependent of the employee, the partner's SHBP coverage is considered federally taxable and the employee cannot be reimbursed under the Unreimbursed Medical FSA for any out-of-pocket medical expense incurred by the partner, nor make pre-tax payments for the cost of the partner's coverage under the POP. Pre-tax dollars may still be used to pay for the employee's portion of the cost of his or her own and dependent children's coverage. Civil union or same-sex domestic partner SHBP benefits are not subject to New Jersey State income tax. If you live outside of New Jersey, you should check with your state's tax agency to determine if the civil union or same-sex domestic partner benefit is subject to state taxes.

For additional information, see the *Civil Unions and Domestic Partnerships* Fact Sheet, available on our website.

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# Commuter Tax\$ave Program

## OVERVIEW

The New Jersey State Employees' Commuter Tax Savings Program (Commuter Tax\$ave), a benefit program authorized by P.L. 2011, c. 162 (Chapter 162) and available under Section 132(f) of the federal Internal Revenue Code (IRC), allows eligible employees to set aside before-tax dollars to pay for mass transit and commuter parking expenses, thereby avoiding federal taxes and saving money. An eligible employee is any employee of the State; a State college or university; the State Library; the Palisades Interstate Park Commission; the New Jersey Building Authority; or the Waterfront Commission of New York Harbor who is eligible to participate in the State Health Benefits Program (SHBP), except those part-time employees made eligible under P.L. 2003, c. 172 (Chapter 172). Commuter Tax\$ave consists of two separate component plans, and an eligible employee may elect to participate in one or both of the plans.

- \$280 per month (\$3,360 per year) deducted from salary to pay for mass transit costs (includes train, bus, ferry, and vanpool expenses); and/or
- \$280 per month (\$3,360 per year) to pay for parking at work or at park-and-ride sites.

Pre-tax monies deducted from salary are not subject to federal income taxes, Social Security taxes, or Medicare taxes. There is a minimum deduction of \$15 for either mass transit or parking deductions. There are no provisions for higher deductions on an after-tax basis.

Mass transit benefits can be used to pay for costs incurred by the employee for the purposes of commuting to and from work. Commuter parking benefits may only be used to pay for the participant's commuter parking expenses at or near their workplace or near a location from which the employee commutes to work and cannot be used for other purposes. In addition, Internal Revenue Service (IRS) rules require that mass transit benefits be delivered as tickets, payment cards, or vouchers that can only be used to purchase mass transit tickets. Parking benefits can be delivered as a payment card, voucher, or as a reimbursement of expenses.

## PROGRAM BENEFITS

The two components of Commuter Tax\$ave are for mass transit expenses and commuter parking expenses.

For the 2022 calendar year, eligible employees may execute salary reduction agreements to have up to:

Information for:  
State Employees who are eligible for the  
State Health Benefits Program (SHBP)

Below are examples of how Commuter Tax\$ave works for you:

EMPLOYEE RIDES MASS TRANSIT USING PRE-TAX \$125 DEDUCTION PER MONTH		
	Without Pre-Tax Commuter Tax\$ave	With Pre-Tax Commuter Tax\$ave
Monthly Salary	\$3,750	\$3,750
Pre-Tax Commuter Tax\$ave for Mass Transit	\$0	\$0

(Additional examples listed on page 2)

\*Examples are based on an annual salary of \$45,000. Estimated Federal Taxes: 25 percent. Taxes exempted include: Federal Income, Social Security, and Medicare. Greater savings may result if your commuting costs are higher and/or you are in a higher federal income tax bracket. Lower deductibles may result in smaller savings and individual savings may vary. Consult your tax advisor.

# Commuter Tax\$ave Program

<b>EMPLOYEE PARKS AND THEN RIDES MASS TRANSIT, USING PRE-TAX \$125 DEDUCTION PER MONTH FOR MASS TRANSIT AND PRE-TAX \$80 DEDUCTION FOR PARKING</b>		
	<b>Without Pre-Tax Commuter Tax\$ave</b>	<b>With Pre-Tax Commuter Tax\$ave</b>
Monthly Salary	\$3,750	\$3,750
Pre-Tax Commuter Tax\$ave for Mass Transit	\$0	-\$125
Pre-Tax Commuter Tax\$ave for Parking	\$0	-\$80
Salary Subject to Taxes	\$3,750	\$3,545
Estimated Taxes	-\$800	-\$737
Monthly Mass Transit Expense	-\$125	-\$100
Monthly Parking Expense	-\$80	-\$80
Take-Home Pay	\$2,745	\$2,808
<b>Monthly Savings: \$63*</b>		
<b>Annual Savings: \$756*</b>		

## ENROLLMENT

Unlike the Section 125 portion of the State's Tax\$ave Program (Medical and/or Dependent Care Spending Accounts) that requires one annual election, the Commuter Tax\$ave Program allows an employee to opt in and out or change amounts on a monthly basis. Eligible employees may enroll in the program or end participation at any time during the year and may change deductions as often as they like during the year. Once enrolled, the employee remains enrolled for all subsequent months at the same level of participation until the employee makes a change to the deduction amounts or elects to end participation. Commuter Tax\$ave benefits are provided by Edened Commuter Benefit Solutions. An eligible employee enrolls by contacting Edened directly, either by calling Customer Service at 1-866-512-8769 or online at: [www.commuterbenefits.com](http://www.commuterbenefits.com)

Upon enrollment, an employee's eligibility is confirmed with the employer who will arrange for payroll deductions to begin. Deductions for the benefit are taken from the first payroll check in the month. TransiChek will then process tickets, payment cards, or vouchers and mail them directly to the employee.

The total time required for processing before the benefit begins is approximately 45 days. The schedule for enrollments/changes during a typical year is shown in the following chart:

<b>EMPLOYEE USES PRE-TAX \$80 DEDUCTION PER MONTH FOR PARKING</b>		
	<b>Without Pre-Tax Commuter Tax\$ave</b>	<b>With Pre-Tax Commuter Tax\$ave</b>
Monthly Salary	\$3,750	\$3,750
Pre-Tax Commuter Tax\$ave for Parking	\$0	-\$80
Salary Subject to Taxes	\$3,750	\$3,670
Estimated Taxes	-\$800	-\$775
Monthly Parking Expense	-\$80	-\$80
Take-Home Pay	\$2,870	\$2,895
<b>Monthly Savings: \$25*</b>		
<b>Annual Savings: \$300*</b>		

\*Examples are based on an annual salary of \$45,000. Estimated Federal Taxes: 25 percent. Taxes exempted include: Federal Income, Social Security, and Medicare. Greater savings may result if your commuting costs are higher and/or you are in a higher federal income tax bracket. Lower deductibles may result in smaller savings and individual savings may vary. Consult your tax advisor.

# Commuter Tax\$ave Program

This fact sheet is a summary and not intended to provide all information.  
Although every attempt at accuracy is made, it cannot be guaranteed.

ENROLLMENT PERIOD	BENEFIT PERIOD
February 1 – February 29	April
March 1 – March 31	May
April 1 – April 30	June
May 1 – May 31	July
June 1 – June 30	August
July 1 – July 31	September
August 1 – August 31	October
September 1 – September 30	November
October 1 – October 31	December
November 1 – November 30	January
December 1 – December 31	February
January 1 – January 31	March

**Note:** the monthly deduction for the Commuter Tax\$ave Program will generally be taken from the first paycheck each month; however, there may be times when the deduction will be taken from the second paycheck of the month.

## “USE IT OR LOSE IT” PROVISION

Employee elections are irrevocable and, to avoid forfeiting benefit dollars, employees should carefully consider how much they want to set aside to cover their commuting expenses. The State is prohibited under federal tax regulations from processing refunds to employees who fail to fully utilize the benefit in a timely manner.

For employees who elect to receive the Commuter Card, it is important to realize that the stored value on the card is available for only as long as the employee remains an active participant of the program. If an employee cancels his or her participation in the program, any remaining balance on the card when the cancellation becomes effective is forfeited.

## SOCIAL SECURITY IMPLICATIONS

Since payments to the Commuter Tax\$ave Program lower annual earnings against which Social Security deductions are made, there is a concern that participation in these plans would result in reduced Social Security benefits at retirement.

If you were born after 1928, your Social Security benefits are calculated using a 35-year average of your earnings. A reduction of up to \$3,120 a year (based on the maximum pre-tax transit benefit cap) over some portion of this 35-year span would have little effect on your average salary and, therefore, minimal impact on your Social Security benefits. However, if you are concerned, you should call the Social Security Administration for further advice at 1-800-772-1213 or visit [www.ssa.gov](http://www.ssa.gov)

## ADDITIONAL INFORMATION

Additional information about the Commuter Tax\$ave Program is available from Edenred by calling 1-866-512-8769 or online at: [www.commuterbenefits.com](http://www.commuterbenefits.com)

*This fact sheet has been produced and distributed by:*

**New Jersey Division of Pensions & Benefits**  
**P.O. Box 295, Trenton, NJ 08625-0295**  
**(609) 292-7524**

*For the hearing impaired: TRS 711 (609) 292-6683*  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

## **HOLIDAY SCHEDULE INFORMATION**

Holidays observed at University Hospital

<b>New Year's Day</b>	<b>Memorial Day Observance</b>	<b>Thanksgiving Day</b>
<b>Martin Luther King, Jr. Birthday Observance</b>	<b>Independence Day</b>	<b>Day After Thanksgiving Day</b>
<b>Good Friday</b>	<b>Labor Day</b>	<b>Christmas Day</b>

## **FLOAT HOLIDAYS**

Only full and part-time staff who are in active payroll status on January 1 and full-time temporary staff who have been continuously employed for six (6) months are eligible for six float holidays.

Staff hired between January 2 and June 30, will be credited with three (3) float holidays in July. Staff on unpaid leave on January 1, but return from leave prior to July 1, will be credited with three (3) float holidays.

Float Holidays must be taken between January 1 and December 31, or they are forfeited.

Float Holidays shall be reported on the time sheets as "FH".

Regular part-time staff shall be paid for Float Holidays on a prorated basis in accordance with the length of their workweek.

Float Holidays, except in the case of personal emergencies, must be requested at least one week in advance. Float Holidays may be used for religious holidays.

Supervisors shall only approve a Float Holiday if the staff member's absence does not interfere with University Hospital's operations.

For staff members on a seven-day workweek schedule, a holiday falling on a Saturday or Sunday is observed on that day. Premium pay will be given only to staff members working the actual holiday.

Premium pay is not given for work performed on the Day after Thanksgiving or on Good Friday for non-exempt staff.



**New Employee Benefits Orientation**

Human Resources  
Benefits Office  
January 2022

**University Hospital**

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**Welcome to University Hospital**

**Enrollment**

Eligible staff MUST submit applications online using Benefitsolver for medical, dental and prescriptions benefits.

Please visit the [mynjbenefithub](#) or the [myNewJersey](#) website.

**University Hospital**

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**University Hospital Benefits Services Office**

**Located in the ADMC Bldg. #8**

Tracey Bacskey - Benefits Services Associate  
(973) 972-4743

Claudine Cruz-Green - Benefits Services Associate  
(973) 972-0885

Sherronda Williams - Manager Benefits Operations  
(973) 972-3925

**University Hospital**

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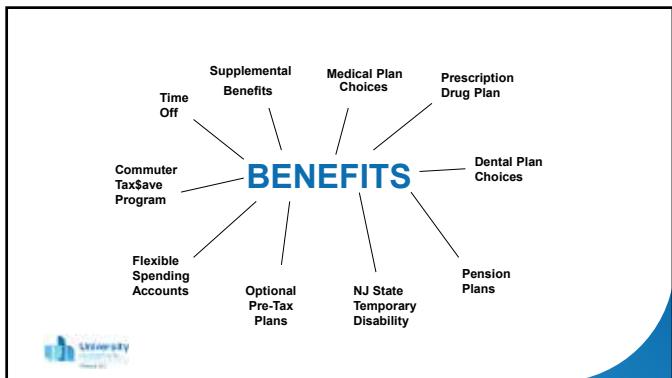
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## State Health Benefits Program (SHBP)

### Eligibility Requirements

- Eligibility based on regular employment
- Hired to work 35 or more hours a week
- Effective date of coverage - after two months of continuous employment




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## Medical Benefits Under Chapter 172

### Eligibility

- Part Time less than 35 hours per week
- Enrolled in a Pension Plan
- Full Cost (Direct Billing)

### Available Plans

- Health Maintenance Organization (HMO's).
- High Deductible Health Plans (HD's)
- Preferred Provider Organization (PPO's)
- Tiered Plans




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### Affordable Care Act (ACA)

- Private Insurance through Health Insurance Marketplace.
- State Exchange
- Coverage for those not eligible under SHBP
- HealthCare.gov



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### Eligible Dependents

- Spouse, Same-Sex Spouse, Same-Sex Civil Union Partner
- Children (under age 26) coverage ends the end of the year they turn 26
- Stepchildren, Foster-Care Children
- Legally Adopted Children
- Documentation required for dependent enrollment



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### Qualifying Event

- 60 day notice period for qualifying event (such as marriage, birth or adoption of a child, loss of spouse coverage etc.)
- Review regulations for a Spouse, Same-Sex Spouse, Same-Sex Civil Union Partner or also employed at a State institution



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## Open Enrollment

- Annual Open Enrollment is in October
- New Dependent Enrollment (if not added on at time of qualifying event)



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## Medical Plans

- Preferred Provider Organizations (PPO's)
- Health Maintenance Organizations (HMO's)
- Tiered Plans
- High Deductible Plans (HD's)



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## Medical Benefits Cost

- The employee will pay the greater of 1.5% of annual base salary or percentage of premium cost
- Contribution is withheld the first pay after the effective date of coverage



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## Medical Plans

PPO PLANS	HMO PLANS	TIERED PLANS	HIGH DEDUCTIBLE (HD) PLANS
NJ DIRECT15	HORIZON HMO	HORIZON OMNIA HEALTH PLAN	NJ DIRECT HD4000
NJ DIRECT15/25			NJ DIRECT HD1500
NJ DIRECT20/30			
NJ DIRECT20/35			
NJ DIRECT			
NJ DIRECT 2019			



## Health Maintenance Organizations (HMO's)

Horizon HMO



## Horizon HMO

### Features (Covers Preventative Care)

- Restricted to Network MD's/Facilities
- Member chooses his/her primary care physician
- Referrals are required for most specialists



## Tiered Plans

### Horizon Omnia Health Plan



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## Horizon Tiered Plans

### Features (Covers Preventative Care)

- Restricted to Tier 1 or Tier 2 Network MD's/Facilities
- Co-pays vary depending on Tier Network
- Referrals are not required for specialists

**Refer to State Active Employees Medical Plan Design included in the New Employee Orientation Booklet for co-pays and out of pocket expenses.**



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## Preferred Provider Organizations (PPO)

**NJ DIRECT15**

**NJ DIRECT1525**

**NJ DIRECT2030**

**NJ DIRECT2035**

**NJ DIRECT\***

**NJ DIRECT2019\*\***

\*Members hired before July 1, 2019 are eligible to enroll

\*\*Members hired after July 1, 2019 are eligible to enroll



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**Horizon  
PREFERRED PROVIDER ORGANIZATIONS  
(PPO's)**

**Coverage in-network**

- No primary care physician-no referrals
- Preventive, routine & urgent care

**Refer to State Active Employees Medical Plan Design included in the New Employee Orientation Booklet for co-pays and out-of-pocket expenses.**



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**Horizon  
PREFERRED PROVIDER ORGANIZATIONS  
(PPO's)**

**Coverage in-network**

- Deductibles/Co-Insurance – Eligible expenses covered at applicable percentage of reasonable & customary expenses
- Claim forms need to be filed

**Refer to State Active Employees Medical Plan Design included in the New Employee Orientation Booklet for deductibles.**



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**High Deductible (HD) Plans**

NJ Direct HD1500

NJ Direct HD4000



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## NJ DIRECT HD 1500- HIGH DEDUCTIBLE PLAN

### In-Network Services

- \$1,500 In-Network Deductible
- 20% In-Network Coinsurance after deductible is met
- \$1,000 Out-of-Pocket Maximum

### Out-of-Network Services

- \$1,500 Deductible (combined with In-Network Deductible)
- 40% Out-of-Network Coinsurance after deductible is met
- \$3,500 Out-of-Pocket Maximum

*\*Amounts above are based on individual costs. All other coverage levels the amounts are doubled\**



## NJ DIRECT HD 4000- HIGH DEDUCTIBLE PLAN

### In-Network Services

- \$4,000 In-Network Deductible
- 20% In-Network Coinsurance after deductible is met
- \$1,000 Out-of-Pocket Maximum

### Out-of-Network Services

- \$4,000 Deductible (combined with In-Network Deductible)
- 40% Out-of-Network Coinsurance after deductible is met
- \$6,000 Out-of-Pocket Maximum

*\*Amounts above are based on individual costs. All other coverage levels the amounts are doubled\**



## Health Savings Account (HSA)

Employer Health Savings Account (HSA) is available if you enroll in one of the High Deductible Plans.

Member will receive a welcome kit with information to enroll

Voluntary employee contributions to the HSA can be used for medical and prescription drug expenses



## Medical Benefits

- Plan ID cards will be mailed to your home address for you and your eligible dependents prior to your effective date of coverage



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## Prescription Drug Plan

Administered by  
OptumRx  
(844) 368-8740



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## Prescription Drug Plan

- Many Pharmacies Participate (Including Most Pharmacy Chains)
- ID card required for purchase
- ID card will be sent to the employee and each eligible dependent prior to the effective date of coverage



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## Prescription Drug Plan

- 30-day supply at retail pharmacy
- 90-day mail order
- Co-pays vary depending on medical plan enrolled

Refer to the State Active Employees Medical Plan Design included in the New Employee Orientation Booklet for co-pay information.



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## Horizon 1500 and 4000 High Deductible Plan

- Subject to deductible and coinsurance
- Members pay 100% of prescription drug costs until deductible is met
- Member then pays the applicable coinsurance until the out-of-pocket maximum is met



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## Prescription Drug Plan

- The employee will pay the greater of 1.5% of annual base salary or percentage of premium cost
- Contribution is withheld the first pay after the effective date of coverage



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**New Jersey Dental Insurance Program**

Dental Expense Plan  
(PPO)

Dental Plan Organizations  
(DPO's)

University Hospitals  
Healthcare

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**Dental Expense Plan**  
**Aetna PPO**

University Hospitals  
Healthcare

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**Dental Expense Plan**

No geographical restrictions  
 Claim forms required

**Eligible Expenses**

Basic Preventative Care  
 Periodontics  
 Prosthodontics

University Hospitals  
Healthcare

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## Dental Expense Plan

### In-Network

- \$50 Deductible/Person (or \$100/Family) waived for Preventive
- Eligible expenses covered at applicable percentage of reasonable and customary expenses
- Annual dollar maximum \$3,000/member



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## Dental Expense Plan

### Out-of Network

- \$75 Deductible/Person (or \$150/Family) waived for Preventative
- Eligible Expenses covered at applicable percentage of reasonable and customary expenses
- Annual dollar maximum \$2,000/member (Maximum of \$3,000 combined In and Out of Network)



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## Dental Expense Plan

### Non-Covered Expenses

- Supplies for home use
  - Charges more than reasonable and customary
- Predetermination of coverage for dental expenses over \$300 and for specific services, e.g., crowns, periodontics, prosthodontics or orthodontics, regardless of the cost. Without advance approval, these services will not be reimbursed.



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## Dental Expense Plan

### Orthodontic Eligibility

- Must have ten months employment
- Child under 19 years of age
- Not available for procedures started before coverage began



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## Dental Expense Plan

### Orthodontic Eligibility In-Network

- 50% to \$1,000 lifetime maximum\*

### Orthodontic Eligibility Out-of-Network

- 40% to \$750 lifetime maximum\* (maximum of \$1,000 combined in and out of network)

\* Not subjected to deductible or combined with annual maximum



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## Dental Plan Organization (DPO)

- Aetna DPO
- Cigna Dental Health, Inc
- Healthplex
- Horizon Dental Choice
- MetLife



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## Dental Plan Organization

- Coverage restricted to DPO providers
- Preventive/Routine Care - 100%
- Co-Payment for specialized care
- No claim forms required



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## Dental Plan Organization

### Orthodontic Eligibility

- Patient under 18 years of age at the start of treatment has Co-Pay of \$1,000 or 50% of reasonable and customary charges, whichever is less
- Patient 18 years of age and over at the start of treatment has co-pay of \$1,750 or 50% of reasonable and customary charges, whichever is less
- Treatment plan maximum of 24 months



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## State Employee Group Dental Program

- Must remain in plan for a minimum of 12 months
- After 12 months of enrollment during Open Enrollment you will be able to change carriers



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## **COBRA**

- Death, Divorce, Dependents > Age 26  
Maximum Duration 36 Months
- Member Termination - Maximum Duration  
18 Months



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## **Coverage for Same-Sex Civil Union Partners**

- Applicable biweekly premiums will be deducted on an after-tax basis
- Imputed income will be applied
- In the event that the Civil Union Partner meets the IRS Definition of Dependent for Tax Purposes, the University does not have to treat the Civil Union Partner's coverage as a taxable benefit



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## **Retirement Plans**

**Public Employees Retirement System  
(PERS)**

**Defined Contribution Retirement Program  
(DCRP)**



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Are you enrolled in or have you retired from a State Administered Pension Plan?

If so, please contact the Division of Pensions and Benefits.



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### Public Employees Retirement System (PERS)



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### Public Employees Retirement System (PERS)

#### *Plan Eligibility*

- Regular Full or Part-Time Employee
- Work 35 or More Hours per Week
- Begins the Date of the First Pay Period Nearest Your Hire Date
- Vesting Provisions



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## **Public Employees Retirement System (PERS)**

### *Retirement Benefits*

- Age 65 or 30 Years of Service
- 1/4th of 1% per Month Decrease Under Age 65



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## **Public Employees Retirement System (PERS)**

### *Mandatory Contributions*

- Current Rate is 7.50%
- Up to a **compensation limit based the annual maximum wage for Social Security deductions** \$147,000 for 2022
- Delay in Commencement of Contribution
- Special Provisions for Veterans



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## **Public Employees Retirement System (PERS)**

### *Loan Opportunity*

- 3-Year Service Requirement
- Two Loans/Year



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## Public Employees Retirement System (PERS)

### Life Insurance

#### *Non Contributory Portion*

Pays 1.5 x Base Annual Salary\*

(Pro-Rated First Year)

Members enrolled at age 60 or old must prove insurability

\*Subject to Annual Maximum Wage Limit for Social Security



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## Public Employees Retirement System (PERS)

### Life Insurance

#### *Contributory Portion*

- 1st Year Mandatory Contribution
- 1/2 of 1% Payroll Deduction
- Pays 1.5 x Base Annual Salary\*  
(Paid in Full in First Year)
- Imputed Income

\*Subject to Annual Maximum Wage for Social Security



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## Public Employees Retirement System (PERS)

- If Vested in PERS at Retirement Non-Contributory Portion will be Equal to 3/16ths of Your Base Salary

- Conversion to Private Coverage



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## **Public Employees Retirement System (PERS)**

### **Disability Insurance Benefits**

- Cost Free
- 60% base Monthly Salary
- 1 year Membership Requirement
- 6 month Waiting Period



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## **Defined Contribution Retirement Program (DCRP)**



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## **Defined Contribution Retirement Program (DCRP)**

### **Plan Eligibility**

- Part-Time Employee not eligible for PERS enrollment
- Work less than 35 hours per week
- PERS members who meet the maximum Social Security maximum wage limit for the calendar year
- Vested after 12 months of contributions



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## **Defined Contribution Retirement Program (DCRP)**

### **Members**

- Begin Membership for the First of the Month
- Contribute 5.5% Employer Matches 3%
- Contributions are up to the annual compensation limit of \$305,000 for 2022
- Retroactive Contribution



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## **Defined Contribution Retirement Program (DCRP)**

### **Investment Provider**

- Prudential Retirement



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## **Defined Contribution Retirement Program (DCRP)**

- Cash Distribution and Annuity Options Upon Separation of Employment
- Transferable



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## **Defined Contribution Retirement Program (DCRP)**

### **Life Insurance**

- Cost Free
- 1.5 times Base Annual Salary up to annual compensation limit.
- Pro-rated in the First Year
- Members enrolled at age 60 or older must prove insurability
- Imputed Income



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## **Defined Contribution Retirement Program (DCRP)**

### **Disability Insurance**

- Cost Free
- 60% base Monthly Salary
- 1 year Membership Requirement
- 6 month Waiting Period



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New Jersey Temporary Disability  
New Jersey Family Leave Insurance  
Optional Contributory Plan

University Hospitals Cleveland Medical Center

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**New Jersey Temporary Disability Insurance**  
and  
**New Jersey Family Leave Insurance**  
*(Mandatory)*



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**New Jersey Temporary Disability Insurance**

- Effective Day 1 (Based on 20 Weeks of New Jersey Employment)
- 2/3 of Weekly Wage to the Current Statutory Limit
- Maximum - 1/3 Total Wages or Weekly Amount x 26



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**New Jersey Family Leave Insurance**

Up to 6 weeks of Family Leave Insurance: bond with newborn, newly adopted children or care for sick family members.

- Effective Day 1 (Based on 20 Weeks of New Jersey Employment)
- 2/3 of Weekly Wage to the Current Statutory Limit



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**Optional Contributory Plan  
Tax Sheltered Plans**



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**New Jersey State Employee Deferred Compensation Plan (NJSEDCP)**

- Employed by the State or an eligible agency
- Pre-Tax Contributions Up to the Annual Tax Deferral IRS 457 Limit
- After-Tax Roth 457 option
- Broad array of investment choices
- Settlement at Separation
- Prudential Retirement



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**New Jersey State Employees' Tax-Savings Program (Flexible Spending Account)**

*You must enrollment in a Dependent Care and/or Medical Spending Account within 30 days from your date of hire*

- Dependent Care Account (30 Day Waiting Period)
- Medical Spending Account (60 Day Waiting Period)
- Premium Option Plan (POP)
- Annual Open Enrollment In October



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## New Jersey State Employees' Commuter Tax\$ave Program

- Mass Transit Commuter Costs
- Parking (Other Than Campus Sites) Costs
- Pre-Tax Basis
- Continuous Enrollment Cycles
- New Hire Eligible After 30 Days



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## Division of Pension and Benefits

### Telephone Numbers

Automated Line for PERS (609) 777-1777

Customer Service for All Plans (609) 292-7524



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## Time Off Policies

- Holidays
- Float Holidays
- Sick Leave
- Vacation Accrual
- Leave of Absences



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## Sick Leave Policy

- New Hires Accrue One Day Per Month
- Pro-rated for part time employees
- Unused Days Carry Over
- Staff receive 1/2 of the value of Unused Days  
(Maximum payout of \$15,000) upon retirement.



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## Holidays

Staff members are eligible to receive up to:

- 9 Recognized Holidays
- 6 Float Holidays
- 15 Annual Holidays\*

\*Pro-rated for part time employee.

*Holidays do not carry over to the following year.*



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## Vacation Accruals

<u>Years of Service</u>	<u>Vacation Accrual</u>
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1-10	15 days/year
11-20	20 days/year
21 +	25 days/year

Pro-rated for part time employees

*(Staff May Carry Over One Year Of Their Vacation Accruals)*



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### **Vacation Accruals (Director Level and Above)**

<u>Years of Service</u>	<u>Vacation Accrual</u>
1-20	20 days/year
21 +	25 days/year

*(Staff May Carry Over One Year Of Their Vacation Accruals)*



### **Vacation Accruals (Staff Nurses)**

<u>Years of Service</u>	<u>Vacation Accrual</u>
1-3	15 days/year
4-18	20 days/year
19 +	25 days/year

Pro-rated for part time employees  
*(Staff May Carry Over One Year of Their Vacation Accrual)*



### **Leave of Absences**

- Academic
- Military
- Personal



### **Medical FMLA Leave of Absence**

- Leave of Absence for employee due to illness or injury for self, family member, or leave due to birth, adoption or foster care.
- Please view Medical/Family Medical Leave Act-Leave of Absence/New Jersey Paid Family Leave policy for eligibility, available leaves and information regarding benefits while on leave.



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### **Educational Assistance Program (EAP)**

- Eligibility applies to full-time and part-time (20 or more hours per week) employees.
- Staff employees are eligible for reimbursement up to the annual limit with a grade of "C" or better.
- Reimbursement covers tuition cost and credit by exam.
- Please refer to the Education Assistance Program policy at time of eligibility for details and annual limit reimbursements.



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### **Office of Learning and Organizational Development**

Offers a wide variety of training courses for the development of management and non-management staff. Consults with Departments.

Provides courses to all employees. Supervisor's approval is required. See course listing on-line for details.



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## **University Hospital's "Extras"**

- Employee Discounts- [uhnj.org](http://uhnj.org)
- Additional voluntary plans
- Credit Union
- Direct Deposit



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## **University Hospital Benefits Services Office**

### **ADMC Bldg. #8**

Tracey Bacskey - Benefits Services Associate  
(973) 972-4743  
Claudine Cruz-Green - Benefits Services Associate  
(973) 972-0885  
Sherronda Williams - Manager Benefits Operations  
(973) 972-3925



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*University Hospital  
is an Affirmative Action / Equal Opportunity Employer.*

*Employment is offered without regard to race,  
color, ethnicity, religion, gender, national origin,  
sexual orientation, physical or mental ability, age or  
any other categorization protected by law.*

# NEW EMPLOYEE ORIENTATION BENEFITS BOOK

