Three Penn Plaza East
Newark, NJ 07105-2200
HorizonBlue.com

«Date»

«Member_First_Name»«Member_Last_Name»
«Address_Line_1»
«Address_Line_2»
«City»«State»«Zip_Code»

«Member_First_Name», Please Read This Important Information About Your Limited COBRA for FSA Continuation Coverage.

Dear «Member_First_Name»«Member_Last_Name»«Member_Last_Name»:

Horizon Blue Cross Blue Shield of New Jersey has important information about continuing your medical Tax$ave Flexible Spending Account (FSA) through the State of New Jersey.

Enclosed in this packet, you will find your:

- **COBRA Election Notice** – This notice outlines your COBRA rights, including deadlines, duration of coverage(s) and your payment responsibilities.
    - If you elect COBRA continuation coverage, your coverage effective date will be the date shown on the COBRA Election Notice Summary Page. This is the first day after your loss of coverage and ***cannot*** be changed.
    - Please remember to make your payments on time.
- **COBRA Election Notice Summary Page** – This is a summary of coverage(s) affected by your Qualifying Event. It lists important effective and deadline dates.
- **COBRA Medical FSA Election Form** – If you wish to elect continuation coverage, you must complete this form and return it to our office by the deadline. Make sure you fill out the form completely and sign it.

Please read this information and respond if you want to elect continuation coverage. If you have any questions, our Member Services Representatives are available to help you. Please call **1-888-215-0025**, weekdays, between 8 a.m. and 9 p.m., Eastern Time.

Sincerely,

Timothy Collins

Senior Director
Enterprise Claims Operations

COBRA Election Notice

As a result of a Termination of Employment ("Qualifying Event"), your coverage under the State of New Jersey's Tax$ave Medical Flexible Spending Account (FSA) (the "Plans") will end/has ended on the "Loss of Coverage Date" as outlined on the Summary Page.

The purpose of this letter is to inform you of your rights and obligations regarding continuation coverage for your Medical FSA(s) according to federal law. The provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 entitle you and your eligible dependents, if any, to elect to continue your FSA coverage until the end of the FSA plan year in which your qualifying event occurred. This Notice relates only to the FSA. If you were enrolled in the health plan, you will receive a separate notice regarding your right to continue coverage under that plan. This notice provides important information concerning your rights and what you have to do to continue your FSA coverage under COBRA for you and your covered dependents, if any, as described in the Electing COBRA Continuation Coverage section of this notice.

Because of the Qualifying Event that will end your coverage under the program, you are entitled to continue your FSA coverage until the end of the FSA plan year in which your Qualifying Event occurred. If you elect to continue your FSA coverage, your continuation coverage will begin on «**Coverage_Start_Date**» and can last until «**End_Date**».

If you do not elect to continue your FSA, your coverage under the program will be terminated as of «Term_Date» (the "Loss of Coverage Date") due to the Qualifying Event.

Electing Limited COBRA for FSA Continuation Coverage

To elect a limited COBRA for FSA continuation coverage, you must complete the enclosed COBRA Medical FSA Election Form(s) and mail, email or fax it to Horizon Blue Cross Blue Shield of New Jersey as stated on the COBRA Medical FSA Election Form no later than the end of the 60-day election period. The 60-day election period ends 60 days after the later of your Loss of Coverage Date identified on the Summary Page or the date of this Notice. You will lose all rights to continue medical FSA coverage under COBRA if you do not make an election during this 60-day period. If an election form is mailed, the postmark date will be used to determine if the election was made within the 60-day election period.

Cost of Limited COBRA for FSA Coverage
Once coverage has been elected, full COBRA premiums must be paid on a timely basis for coverage to remain in effect. Please refer to the Summary Page for instructions on how to make COBRA premium payments and the amount(s) of your COBRA premium as shown on the coverage election form. COBRA premium payments are considered paid on the date you mail them (as evidenced by your postmark date). If your COBRA premium payment is made by check, and your check is returned because of insufficient funds, your COBRA premium is treated as unpaid. You must make full payment within the required time period, including a grace period, to prevent cancellation. **If you submit any COBRA premium payments after the required postmark date, or if you submit any COBRA premium payment and you are otherwise ineligible for coverage, these payments will be refunded or returned to you. Acceptance of COBRA premium payments by Horizon BCBSNJ is not an indication that coverage is effective. If your coverage is cancelled for nonpayment of COBRA premium, you cannot reinstate it.**

Initial COBRA Premium Payment and Amount
Your initial COBRA premium payment must be made within 45 days after the date you elect to continue coverage. For example, if an election is postmarked on March 15, the COBRA premium must be paid no later than April 29.

Your initial COBRA premium payment must include the total amount from the first date of termination through the current COBRA election period. For example, assume coverage ended on January 31 and an election to continue coverage was dated March 15. COBRA premiums for February and March must be paid by April 29, which is 45 days after the date of the election. If coverage ended on January 22 instead of January 31, you would owe premiums for the nine remaining coverage days in January, in addition to the premiums for February and March.

Subsequent COBRA Premium Payments

After the initial COBRA premium payment is made, future COBRA premiums will be due on the first of each month for that month of continuation coverage. You will have a 30-day "grace period" following the due date. COBRA premiums must be paid in full by the end of the grace period to avoid retroactive cancellation of coverage. **Your postmark date will determine the date your premium payment is considered made.** If claims are paid for expenses incurred during a month for which the COBRA premium was not paid timely, you will be required to reimburse Horizon BCBSNJ for the claims paid.

Notices You Must Provide to Horizon BCBSNJ

After you have elected continuation coverage, you must provide written notice promptly.

For More Information

This Notice does not fully describe COBRA coverage or other rights under the Plan. More information about COBRA coverage and your rights under the Plan is available in your Summary Plan Description or from the Plan Administrator identified below (State of New Jersey). For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at dol.gov/ebsa.

If you have questions, or need additional information, please contact:

Plan Service Provider: All notices and other communications regarding the Plan and regarding COBRA must be directed to:

Horizon BCBSNJ
Attn: CDH/FSA Production Team
3 Penn Plaza East, PP08S
Newark, NJ 07105-2200
Phone: 1-888-215-0025
Fax: 1-973-522-4672
Email: State_TaxSaveproduction@HorizonBlue.com

Plan Administrator:

NJ Division of Pensions & Benefits
Plan Admin, Tax$ave
Attn: Ricardo Arce
PO Box 295
Trenton, NJ 08625-0295
Email: DPB.Tax$ave@treas.nj.gov

COBRA Election Notice Summary Page

This Notice was mailed to the following address on «date»:
«Address_Line_1»«Address_Line_2»«City»«State»«Zip_Code»

Qualifying Event and Date:
Termination of Employment which occurred on «Term_Date»

Deadline to Request Coverage Continuation:
«Deadline» (60 days from termination date)

Maximum Coverage Duration:
«Coverage_Start_Date»

Deadline to Pay Initial Premium: You must pay your Initial Premium within 45 days of the date you request coverage continuation.

Coverage Affected by This Qualifying Event:
Coverage:
Health FSA

To Elect COBRA Continuation Coverage:
To elect COBRA Continuation Coverage for your Tax$ave Health Flexible Spending Account (FSA), you **MUST** sign, date and return the COBRA Health FSA Election Form, postmarked no later than the "Deadline to Request Coverage Continuation" as stated above.

Mail, email or fax election form to:

Horizon BCBSNJ
Attn: CDH/FSA Production Team
3 Penn Plaza East PP08S
Newark NJ 07105-2200
Email: State_TaxSaveproduction@HorizonBlue.com
Fax: 1-973-522-4672

Important Notes:

- The COBRA effective date cannot be changed. Your first day of COBRA coverage is the first day after the loss of coverage caused by your Qualifying Event.
- If you elect COBRA, **you MUST pay the initial "applicable premium" within 45 days of the date you request coverage continuation**. Upon your election of the limited COBRA for FSA Continuation Coverage, you are billed for the period from the date your active coverage under the Plan(s) terminated through the current month. Coverage will be cancelled, and reinstatement not allowed, if the first COBRA premium payment is not made within 45 days of the date of the original election of COBRA Continuation Coverage. Refer to the section named "Cost of COBRA Coverage" for further detail regarding initial and subsequent COBRA premium payments.
- Subsequent COBRA premiums will be due by the COBRA premium due date and full payment must be received by the grace period end date. The grace period is defined by the group health plan (usually 30 days). Your COBRA premium payment is considered paid on the date you mail it as evidenced by the postmark date.
- If you submit any COBRA premium payment after the required postmark date, or if you submit any COBRA premium payment and you are otherwise ineligible for coverage, these payments will be refunded or returned to you. Acceptance of COBRA premium payments by Horizon Blue Cross Blue Shield of New Jersey is not an indication that coverage is effective.
- ***Ongoing Payments***
    - ***Payments typically post to your account within 7-10 business days of mailing.***
    - ***Remit payment via your financial institution's automated payment service***. Indicate your Identification Number as referenced on your COBRA Health FSA Election Form on the reference line of your check. Checks returned for such reasons as insufficient funds or closed accounts, etc., could affect COBRA Continuation Coverage and may result in collection attempts, services charges, termination and may also be referred for legal action.

NJ Tax$ave Horizon *MyWay*®
Limited COBRA Medical FSA Election Form

Three Penn Plaza East
Newark, NJ 07105-2200
HorizonBlue.com

Horizon *MyWay*®
FLEXIBLE SPENDING ACCOUNT D
COBRA ENROLLMENT FORM

Complete and return to Horizon BCBSNJ

Qualifying Event and Date:
Termination of Employment which occurred on **«Term_Date»**

Maximum Coverage Duration:
«Coverage_Start_Date» - 12/31/**YYYY**

Deadline to Request Coverage Continuation: «Deadline» (60 days from termination date)

Deadline to Pay Initial Premium: You must pay your Initial Premium within 45 days of the date you request coverage continuation.

Coverage Affected by this Qualifying Event: Medical FSA

Member name **Effective Date**: **«Coverage_Start_Date»**

Member ID#: _____ Primary Phone: _____

Street Address: _____

City: _____ State: _____ ZIP Code: _____

Email Address: _____

Date of Birth: _____ / _____ / _____

☐ **Yes, I would like to enroll in COBRA for Medical FSA**

☐ **No, I do not want to enroll in COBRA for Medical FSA**

Account Information

Medical Flexible Spending Account:

Initial applicable premium due: «Balance» due on«Premium_Due_Date_»**.**

If you elect Limited COBRA for FSA, **you MUST pay the initial "applicable premium" within 45 days of the date you request coverage continuation**. Upon your election of Limited COBRA for FSA Continuation Coverage, you are billed for the period from the date your active coverage under the Plan(s) terminated through the current month. Coverage will be cancelled, and reinstatement not allowed, if the first COBRA premium payment is not made within 45 days of the date of the original election of COBRA Continuation Coverage. Refer to the section named "Cost of COBRA Coverage" for further detail regarding initial and subsequent COBRA premium payments.

Subsequent COBRA monthly premium due: «Subsequent_Monthly_Premium»on the 1st of every month ending on December 1st of the current plan year

Subsequent COBRA premiums will be due by the COBRA premium due date and full payment must be received by the grace period end date. Your COBRA premium payment is considered made on the date you mail it as evidenced by the postmark date.

If you submit any COBRA premium payment after the required postmark date, or if you submit any COBRA premium payment and you are otherwise ineligible for coverage, these payments will be refunded or returned to you. Acceptance of COBRA premium payments by Horizon BCBSNJ is not an indication that coverage is in force.

I have reviewed the above elections and understand my choices will remain in effect for the entire Plan Year, unless I experience a change in status as defined by the IRS. It is also my understanding that any funds remaining in my accounts at the end of the Plan Year may be forfeited.

Signature: _____ Date: _____

Mail, Email or Fax COBRA Medical FSA Election form to:

Horizon BCBSNJ
Attn: CDH/FSA Production Team 3
Penn Plaza East, PP08S Newark, NJ
07105-2200
Fax: (973) 522-4672
Email: State_TaxSaveproduction@horizonblue.com

Form # 40052 (1220)