**Attentive: Questions & Answers for New Jersey School Districts**

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This brief Q&A is intended to provide **plain-language reassurance** for New Jersey school districts that are exploring the Attentive Wellness Program. It reflects questions commonly raised by superintendents, business administrators, boards, labor partners, and auditors.

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**1. What exactly is Attentive?**

**Attentive is a preventive care management and wellness reimbursement program — it is not insurance.**

Attentive integrates an IRS-approved **Self-Insured Medical Reimbursement Plan (SIMRP)** with a standardized suite of wellness and preventive services. It allows employees to use existing federal tax code provisions to receive **tax-free reimbursement for eligible medical and wellness expenses** they already incur.

Attentive:

- Does **not** replace or modify a district's health insurance
- Does **not** require changes to SEHBP participation
- Does **not** alter collective bargaining agreements

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**2. Is Attentive authorized for use by New Jersey school districts?**

The Associate Director from the Office of Management and Budget (OMB) at the New Jersey Department of Treasury has indicated that where a district offers health benefits outside of the SEHBP, a SIMRP may be structured as an employer offering.

The Director for the Office of Pensions and Benefits (DPB) at the New Jersey Department of Treasury, that individual districts may submit proposals to be considered for approval. Attentive will provide all necessary documentation for submission.

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**3. Is Attentive a health insurance plan or an alternative to the State Health Benefits Program?**

No. Attentive **is not insurance**, does not sell insurance, and does not serve as a substitute for SEHBP or any other health plan.

Districts that participate in SEHBP typically view Attentive as a **voluntary, employer-sponsored wellness and reimbursement benefit**, separate from the insurance carrier and plan design.

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**4. How can Attentive increase take-home pay without increasing salaries?**

Attentive lawfully combines existing IRS provisions:

- **Section 125** – allows pre-tax payroll treatment of eligible benefits
- **Section 213(d)** – defines reimbursable medical and wellness expenses
- **Section 105(b)** – permits tax-free reimbursement of those expenses

The result is **lower taxable income**, reduced payroll taxes, and **higher net pay**, without increasing gross salary or affecting pensionable compensation.

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**5. Is there a financial benefit to the district (including FICA savings)?**

Yes. In addition to employee take-home pay increases, **districts may realize employer payroll tax (FICA) savings** on amounts redirected through the SIMRP structure.

Because qualifying reimbursements are excluded from taxable wages:

- Employer FICA obligations may be reduced
- Lower payroll tax exposure aligns with existing NJ statutory reimbursement models

Importantly, **this does not affect pensions, service credit, or retirement calculations**, and it does not alter existing FICA reimbursement processes between districts and the State.

**6. Does the district pay anything to offer Attentive?**

The cost of the program is funded by the tax savings for each individual and the district. Therefore, there is no need to budget for this program as it is revenue positive.

Districts do not fund claims, underwrite risk, or pay premiums. Participation is entirely voluntary for employees.

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**7. How are savings calculated?**

Individuals: A qualified member (health insurance, full-time status, W-2) will receive an increase in take home pay averaging around $170/ paycheck. This is calculated by salary, pre-tax deductions, family size, and filing status. Once a census is run, exact figures will be provided.

District: Multiple the # of TPAF employees by $25, add that to the # of PERS/ Federally Funded employees by $590 and you will approximate the yearly district tax savings. For a district of roughly 500 qualified employees, $125,000 is a conservative estimate.

Note: The tax savings is less for certificated staff because the state of NJ pays social security for these employees so you only save in Medicare.

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**8. What do employees actually receive?**

Eligible participants receive a **standardized and equitable wellness benefit package**, which includes:

- Telehealth and 24/7 telemedicine for households
- Confidential mental-health counseling
- Preventive screenings and chronic condition support
- Nutrition, fitness, and lifestyle coaching
- Prescription access tools with a large number of free and reduced cost meds
- Mayo Clinic-backed health resources
- And many more…

All eligible employees receive the same benefit structure, supporting equity and non-discrimination requirements.

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**9. Is employee participation required?**

No. **Participation is completely voluntary.**

Employees elect individually during enrollment and may opt out at any time. There are **no participation thresholds, performance requirements, or penalties**.

The more employees that participate the larger the district savings, therefore a zero enrollment is encouraged by not mandatory, allowing faculty to 'opt out'.

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**10. Are there privacy or data-sharing concerns?**

Attentive was designed with educator privacy as a core priority:

- Fully **HIPAA-compliant**
- No individual health data shared with districts, unions, or insurers
- Participation decisions remain confidential
- Secure, digital access for members and families

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**11. Is Attentive compliant with federal and state regulations?**

Yes. The program is designed to comply with:

- IRS §§ **213(d), 105(b), 106(a), and 125**
- **ERISA, HIPAA, ADA, and ACA** requirements
- Section 125 **non-discrimination rules**

Attentive does **not** replace negotiated benefits, is not an indemnity plan, and does not alter pension or retirement contributions.

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**12. Why are unions and district leaders reviewing Attentive?**

Districts and labor partners have explored Attentive as a way to:

- Support educator wellness during periods of high burnout
- Increase take-home pay **without reopening contracts**

- Capture payroll tax efficiencies responsibly
- Offer a standardized, equitable benefit
- Provide preventive supports that reduce absenteeism

There is **no union endorsement requirement** and no obligation for participation.

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**13. How is Attentive Paid?**

Attentive takes a portion of the tax savings from the individual and the district to fund the program so there are no out of pocket costs for the program.

Attentive charges $129/month to manage the program, which is divided between employee and employer, ensuring both parties receive a tax savings. The majority of this fee is used to fund the program including zero cost telehealth/ prescriptions for the employee and each person in their household.

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**14. This sounds too good to be true, is there anything I'm missing?**

This program will only last as long as the Affordable Care Act is in place, as the tax benefit was set up as a way to encourage more people to have qualified health insurance. Therefore we encourage individuals and districts to use the money for retirement and capital projects.

Social Security is slightly impacted by the lowering of take home pay, therefore employees will have a very small decrease to those benefits. This is offset by the savings, especially when members invest this savings into specific retirement accounts.

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**15. What is the appropriate next step for a district?**

Most districts begin with a **brief compliance and governance review**, focused on:

- SEHBP participation status
- Interaction with existing benefits
- Payroll and FICA treatment
- Non-discrimination safeguards
- Member communications

- Data privacy protections

Additional information and short overview resources are available at:

- Attentive Overview: https://www.healthandwellnessworks.com
- Program Basics: https://healthandwellnessworks.com/attentive-wellness-benefits-video#basics
- Plan Financing: https://healthandwellnessworks.com/attentive-wellness-benefits-video#paycheck

This information is provided for review and consideration only. Participation, implementation, and employee enrollment remain entirely at the discretion of each district.

For your help in vetting this program, please use the following links:

Cornell Law Review

CPA Journal

*Please note, Dr. Jared Scherz and TeacherCoach have partnered with Attentive to bring these services to New Jersey.*

*Please contact Dr. Scherz at 609-304-4624 or coach@teachercoach.com to learn more.*