

Health Savings Account

Brief Overview

What is a Health Care Savings Account (HSA)?

A Health Savings Account (HSA) is a personal tax-advantaged bank account designed to help you manage your healthcare expenses more efficiently. Here are key points to understand about HSAs:

- As the owner of an HSA account, you are responsible for managing your account in accordance with Federal laws and regulations.
- Funds contributed to an HSA are not subject to federal income tax at the time of deposit.
- Any dollars left in your HSA account at year-end will automatically roll over into next year's HSA account*.
- The money in your HSA account is yours to keep and is available to you as soon as it is deposited into your account.
- It will continue to earn interest over time and will be available to pay for current and future qualified expenses.

How do I qualify for HSA Contributions?

To qualify for HSA contributions, Account Owners must:

- Be actively enrolled on an [HSA compatible](#) high-deductible plan (HDHP); and,
- Not be actively enrolled on individual, employer group medical plans, or other disqualifying plans. See [IRS Publication 969](#) for details; and,
- Not be entitled to Medicare; and,
- Not be claimed as a dependent on someone else's tax return.
- Note that "joint" HSA accounts are not permitted. Each spouse should consider establishing an account in his or her own name. This allows both individuals to make catch-up contributions when they are 55 or older.

Who can make contributions on my behalf?

You, your employer or others can contribute to your HSA account through payroll deductions or as a lump sum deposit*. You can contribute as often as you like, provided you and your employer's total [annual contributions](#) do not exceed:

- **For 2023:** \$3,850 for individual coverage, or \$7,7500 for family coverage
- **For 2024:** \$4,150 for individual coverage, or \$8,300 for family coverage

Individuals who are age 55 or older are eligible to make "catch-up" contributions of up to an additional \$1,000/year until he/she becomes enrolled in Medicare.

What expenses are eligible for reimbursement from my HSA?

- IRS-qualified Medical, Dental and Vision expenses for you and qualified family members and relatives (even if they are not covered by your HDHP). See [IRS Publication 502](#) for details.
- COBRA Premiums
- Health insurance premiums while receiving unemployment benefits.
- Qualified long-term care premiums*
- For individuals ages 65 and over: all health insurance premiums except for Medicare supplemental plans.
- Investments in stocks, bonds, mutual funds, and certificates of deposit.

What happens to my HSA dollars if I leave my employer?

You may elect one of the following options:

- Leave your funds in the current HSA account
- Transfer your funds to an HSA with your new employer

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What are non-eligible expenses?

HSA funds used for non-eligible purposes are subject to taxation as well as an additional 20% tax penalty unless the account owner is over age 65, disabled or upon death of the account holder.

Examples of non-eligible expenses:

- Services and purchases that occurred prior to the date the HSA was established.
- Expenses already reimbursed by insurance plans.
- Cosmetic medical or dental procedures
- Non-healthcare related items

Can I borrow against the money in my HSA?

- No. You may not borrow against it or pledge the funds in it. For more information on prohibited activities, please see [Section 4975 of the Internal Revenue Code](#).

How do I pay my physician or network facility at time of service with my HSA dollars?

- Request that the network provider submit your claim to your health plan.
- Make sure that your provider has your most up-to-date insurance information.
- Once the medical claim has been processed, if applicable, out-of-pocket expenses will be billed.
- At this time you may choose to use your HSA debit card or HSA check* to pay for any out-of-pocket expenses, or you may choose to pay with your own money and receive reimbursement at a later date.
- Be sure the claims for the services you received has been processed by insurance and that you have received an explanation of benefits from the insurance that clear state your share of cost before paying the provider.
- This procedure will ensure that provider discounts are applied.
- Also, remember to keep all medical receipts and any Explanation of Benefits (the HSA custodian may require a receipt in order to reimburse the expense)

My employer offers an FSA—can I have both an FSA and an HSA?

You can have both types of accounts, but only under certain circumstances:

- If you contribute to a Medical flexible spending account (FSAs) you will not be eligible for contributions to an HSA. **NOTE:** This *includes* being “covered” under a spouse’s employer’s FSA.
- If your employer offers and you contribute to a “limited purpose” (limited to dental, vision or preventive care) FSA (LPFSA), you may still be eligible for HSA contributions.

* May vary depending on HSA plan design and benefit plan design. Refer to your Summary Plan Description or HR administrator for specifics pertaining to your plan.

This document contains a brief overview of HSA rules and is not intended as a complete description of the laws and regulations, nor is it intended to constitute legal, tax, or actionable advice or guidance. We strongly recommend consulting with a licensed tax advisor or attorney for specific information relevant to your situation.