



(updated 9/21/2022)

## HSA – FSA FAQ

### Discontinuance of the HSA Program at Lubbock ISD in 2023

Health Savings Account (HSA) contributions and payroll deductions at Lubbock ISD will end effective January 1, 2023. With that being said, we have prepared the following FAQs to address any potential questions and to also provide information of what other pre-tax, similar type programs are available to employees when enrolling into their 2023 benefits.

- Will I lose the money I have contributed or still have on my HSA card in 2023?
  - **No**, your account will remain open with HSA Bank, and you may arrange directly with HSA Bank your own ongoing contributions should you wish to maintain your HSA Bank program/card. Please call 1-800-357-6246 to discuss your HSA Bank plan for 2023. Be aware that there are some IRS guidelines in the use of one's HSA funds related to other programs and benefits.
- What other pre-tax spending card is available to Lubbock ISD staff members when enrolling into benefits for 2023?
  - When enrolling into your 2023 benefits, there is a Health Flexible Spending Account (FSA) available that allows employees to put money into that account pre-tax that may be used to pay for certain out-of-pocket healthcare costs (dentist visits, doctor visits, deductibles, prescriptions, etc.). You don't pay taxes on this money either (as you did not with the HSA). This means you will save an amount equal to the taxes you would have paid on the money you set aside.
- What is the benefit of an FSA?
  - FSA monies that you plan/allocate for the calendar year are available at the beginning of the year for expenses. You can use your FSA to cover eligible health care expenses early in the year, as long as you plan to contribute what's necessary to cover those expenses by the end of the year.
- Does the money in my FSA account roll over year to year like the HSA money did previously?
  - No. FSA money must be expended during the year of contribution and do not roll over. Also, if you leave employment and have unused money on your FSA, it does not go with you.



- Will I be able to set up a payroll deduction for my FSA?
  - Yes, as long as you enroll into the plan as part of your benefits selections. Your contributions are automatically deducted from your paycheck on a pre-tax basis, which, again, helps you reduce your taxable income and increase your spendable income.
- Will I be able to stop or change my FSA deduction at will anytime during the year?
  - No. Similar to the requirements to change one's medical or other health benefits, a qualifying life event must occur (such as a new spouse/marriage, birth of a new child/adoption, etc.) and a request must be made to change one's FSA contributions within 30 days of that event.
- Is there a yearly contribution amount maximum under the IRS rules?
  - Yes, for 2023 it is \$3050.00.