



HSA Frequently Asked Questions

What is a Health Savings Account (HSA)?

An HSA is a tax favored account used in conjunction with an HSA-compatible health plan. The funds in the account are used to pay for IRS-qualified medical expenses such as services applied to the deductible, dental, vision, and more.

Who can get an HSA?

Any eligible individual that:

- Is covered by an HSA-compatible health plan
- Is not covered by other health insurance (except certain types of limited coverage)
- Is not enrolled in Medicare
- Is not claimed as a dependent on someone else's tax return
 - Children cannot establish an HSA
 - Eligible spouses can establish their own HSA

How much can I contribute annually to an HSA?

2018 IRS Maximum Allowable Contribution Limits

- Individual: \$3,450
- Family: \$6,900

2019 IRS Maximum Allowable Contribution Limits

- Individual: \$3,500
- Family: \$7,000

Catch-Up Contributions

Accountholders who meet the qualifications noted below are eligible to make an HSA catch-up contribution of \$1,000.

- Health Savings account holder
- Age 55 or older (regardless of when in the year an account holder turns 55)
- Not enrolled in Medicare (if an account holder enrolls in Medicare mid-year, catch-up contributions should be prorated)

Authorized Signers who are 55 or older must have their own HSA in order to make the catch-up contribution.

Can any high-deductible health insurance policy qualify for an HSA?

It can be a health maintenance organization (HMO), preferred provider option (PPO), or indemnity plan as long as it meets the IRS requirements. Your insurance company will determine if the policy is an HSA-compatible health plan.

Who can make contributions?

Contributions can come from employers, the account holder, or third parties. The combined contribution amount is subject to the IRS contribution limits.

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Are there income restrictions?

There are no income restrictions for opening or contributing to an HSA.

What are the advantages of an HSA?

HSA funds roll over year-to-year; there are tax benefits on contributions, earnings and distributions; and long-term investment opportunities are available.

Is an HSA compatible with an HRA/FSA?

Yes, this is permitted if the combination is:

- “Limited purpose” flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs) that restrict reimbursements to certain permitted benefits such as vision, dental, or preventive care benefits.
- “Post-deductible” FSA or HRAs that only provide reimbursement after the minimum annual deductible has been satisfied under the HDHP.

If I set up an HSA through my employer, what happens if I switch jobs?

The funds are portable and go with you.

Can I withdraw the money for non-medical expenses?

Yes, though the withdrawal may be subject to income tax and penalties. After the age of 65, you can use the funds for non-qualified expenses without penalty, though the funds may be subject to income tax.



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