

Health Savings Account (HSA)

What is a Health Savings Account?

A Health Savings Account (HSA) is designed to work with a High Deductible Health Plan (HDHP) to reduce your medical expenses and to save you tax money. It can also put health insurance within reach of individuals and employees who otherwise couldn't afford it.

With an HSA:

- You contribute to your account on a pre-tax basis.
- You are reimbursed for eligible expenses tax-free.
- You can "roll over" unused amounts from year to year.
- You become a better health care consumer.

Under IRS rules you can roll over unused amounts left in your HSA from year to year. This helps you accumulate savings for years when you may need more health care.

You may find that with an HSA, you are spending your own money when you obtain medical care. You may "shop around" more, and you may find that as a cash customer you can command some good savings from doctors and hospitals who are tired of waiting for payments from insurance companies.

What health plan should I choose to have the Health Savings Account?

You must choose the United Healthcare HSA 5FV Plan. This plan is designed to work with your Health Savings Account. You will notice the premiums for this plan are much less than traditional health insurance programs. This plan still covers the same types of services as the traditional health plans but because there is not "first-dollar coverage" such as copayments, the premium can be much less. All services fall under the deductible and coinsurance arrangement. In addition, each plan has an annual out of pocket maximum to help insure against catastrophic expenses.

How much money can be put into my HSA in 2016?

The amount of money you put into your account is up to you. If you don't want to set any money aside, you do not have to or you can elect any amount up to the annual allowance established by the IRS. If enrolled for single coverage, the annual allowance for the calendar year 2016 is \$3,400 (plus \$1000 catch-up for age 55 or older). If enrolled with dependents, up to \$6,750 (plus \$1000 for catch-up for age 55 or older). If you elect to have funds deposited into your account, it will be deposited into the account each pay period.

How do I get reimbursed from my HSA?

Your HSA has a special debit card and checkbook for you to use to pay for eligible expenses. In addition, if you do need to pay for an expense out of pocket, you can reimburse yourself out of the account later. You can be reimbursed up to the amount remaining in your account at any time.

Where can I get more information on the Health Savings Account?

A wealth of information on the Health Savings Account is available for review on www.irs.gov.

A payroll deducted H.S.A. account is optional to employees who have selected an H.S.A healthcare plan. If an employee chooses to participate in an H.S.A savings account, an H.S.A savings account must be opened at the specified banking institution. Once this account has been opened, the employee must provide the H.S.A. savings routing and bank account information, as well as, the amount that should be deducted each pay period.

Please note: payroll deductions cannot begin until all information is received at your benefits office.