



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?

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)

Spouses who are 55 or older and covered under the account holder's medical insurance can also make a catch-up contribution into a separate HSA in their own name.

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.



HSA Frequently Asked Questions

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.



Please call the number on the back of your HSA Bank debit card or visit us at www.hsabank.com