

# KNOW YOUR BENEFITS.

From

HSA

## Health Savings Accounts

A Qualified High Deductible Health Plan protects you from catastrophic medical bills. This plan contains a deductible which must be met before the health plan provides coverage – this typically means that 100% of the charges you and your family members incur for health and prescription services are subject to the

### **Who Can Have an HSA?**

Any adult can have an HSA if you:

- Have coverage under an HSA-qualified, high deductible health plan (HDHP)
- Have no other health coverage (certain types of insurance, such as specific injury or accident, disability, dental care, vision care or long-term care, are permitted)
- Are not enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return

You must have coverage under an HSA-qualified high deductible health plan to open and contribute to an HSA.

In general, the deductible must apply to all medical expenses (including prescriptions) covered by the plan. However, plans can pay for preventive care services on a first-dollar basis. Preventive care can include routine prenatal and well-child care, child and adult immunizations, annual physicals, mammograms and more.

### **HSA Contributions**

You can make a contribution to your HSA each year that you are eligible.

You can contribute no more than (2016 and 2017 limits):

- Single coverage: \$3,350 for 2016 and \$3,400 for 2017
- Family coverage: \$6,750

Individuals ages 55 and older can also make additional "catch-up" contributions of up to \$1,000 annually. Contributions to the account must stop once you are enrolled in Medicare. However, you can still use your HSA funds to pay for medical expenses tax-free.

### **Using Your HSA**

You can use money in your HSA to pay for any qualified medical expense permitted under federal tax law. This includes most medical care and services, dental and vision care.

Generally, you cannot use your HSA to pay for medical insurance premiums, except specific instances, including:

- Any health plan coverage while receiving federal or state unemployment benefits
- COBRA continuation coverage after leaving employment with a company that offers health insurance coverage
- Qualified long-term care insurance
- For HSA holders who are age 65 or older, any deductible health insurance (for example, retiree medical coverage) other than a Medicare supplemental policy.

You can use your HSA to pay for medical expenses for yourself, your spouse or your dependent children, even if your dependents are not covered by your HDHP. Any amounts used for purposes other than to pay for qualified medical expenses are taxable as income and subject to an additional 20 percent penalty. Expenses not health-related.

After you turn 65, the 20 percent additional tax penalty no longer applies. If you become disabled and/or enroll in Medicare, the account can be used for other purposes without paying the additional penalty.



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