

Frequently Asked Questions

F Do I have to have health insurance to open a health savings account (HSA)?

Yes. To be eligible to open and contribute to an HSA, you need to be enrolled in a HSA-qualified health plan—one with a minimum annual deductible of \$1,250 for self-only coverage or \$2,500 for family coverage in 2013 and 2014.

A Who owns the HSA?

You do .

Q Does the money in my HSA earn interest?

Yes, and tax-free.

Can I invest the money in my HSA?

Yes. Your HSA administrator may allow you to invest your account balance in stocks/bonds, mutual funds, etc. You can choose to invest after you reach a required minimum balance.

Is my HSA FDIC-insured?

Yes, however, any monies you elect to participate in an investment fund are not FDIC-insured.

Can I roll the money from my IRA into my HSA?

Yes. You can make a one-time contribution rollover from your IRA into your HSA. However, you can't roll money into your IRA from your HSA. Any rollover contributions will count toward the maximum annual contribution limits.

Who can put money in my HSA?

Anyone can contribute to your HSA. However, only the account holder and the employer receive tax deductions on monies contributed. Only your contribution is tax-free.

How much money can I contribute to my HSA each year?

In 2014, limits increased to \$3,300 for individuals and \$6,550 for families. HSA account holders over the age of 55 can make an additional "catch up" contribution of \$1,000 per year. These limits are set by the IRS and are the same regardless of the source of the contribution.

What happens to the money in my HSA if I change health plans, leave my job or retire?

You own the HSA, the monies are yours to keep. If you retire and are insured by Medicare, change to a non HSA-qualified plan or go to another employer that doesn't offer a qualified plan, you can still use your HSA to pay for out-of-pocket qualified medical expenses. However, you won't be able to continue to make contributions to your HSA.

Does the money I have in my HSA roll over from year to year or do I lose the money at the end of the year?

Your HSA balance will roll over from year to year. You don't lose the money left in your HSA, or the interest it's earned, at the end of the year like some other health accounts. It's your money.

Can I take the money out of my HSA any time I want?

Yes. You can take money out anytime, tax-free and without penalty, as long as it's used for qualified medical expenses. If you withdraw funds for other purposes, you'll pay income taxes on the withdrawal plus a 20% penalty.

What is a qualified medical expense?

[Qualified Medical Expenses](#) are those that qualify for the medical and dental expenses income tax deduction as outlined in *IRS Publication 502—Medical and Dental Expenses*. Go to www.irs.gov/publications/p502/index.html for a current, complete list.

Do I pay co-payments if I have an HSA?

Your health plan coverage determines whether you have a co-payment. If so, co-pays typically apply to your deductible. Whether you continue to pay co-payments after meeting your deductible depends on the specifics of your health plan. You can always use your HSA to pay co-payments.

Do I pay for the full amount of the office visit when I go to the doctor?

You are responsible to pay the amount your insurance has contracted to pay your doctor, typically a discounted rate, until your deductible is met. You can use your HSA for this expense.

We recommend that the doctor's office submit a claim with their charges to your insurance plan. The insurance plan will then apply all discounts that apply and credit your deductible. Once the claim is processed you will receive an explanation of benefits (EOB) showing the amount you are responsible for. Some doctors may require that you pay the full amount or a portion of the bill upfront, but most will simply bill your insurance, and then bill you for the balance once the claim has been processed. If you pay at the time of service, make sure to compare your patient responsibility amount and ensure you haven't overpaid.

I am insured on an HSA-qualified plan, but didn't cover my children under this plan. Can I use my HSA to pay for my children's medical, dental and vision expenses, co-pays, and deductibles?

Yes. Your HSA can be used to pay for qualified medical expenses of any family member who qualifies as a dependent on your tax return. Remember, if the dependent isn't covered under your plan, his/her expenses won't be applied toward your plan's deductible.

If my spouse is on Medicare, can I contribute to an HSA?

Yes. As long as you're not enrolled in Medicare yourself and are still enrolled in an HSA-qualified health plan, you can contribute to your HSA.

Can I use the money in my HSA for non-medical expenses?

Yes. If you use HSA funds for non-qualified expenses, and are under 65, you'll be taxed on the money you use at your income tax rate and assessed a 20% penalty. Once you're 65, you'll be taxed for HSA funds used for non-qualified expenses, but won't pay any additional penalty.

Can I use my HSA for eye glasses, contacts, or LASIK surgery?

Yes, but remember these expenses may not apply to your health insurance deductible.

Can I use my HSA to pay for dental expenses and orthodontics?

Yes, but remember these expenses may not apply to your health insurance deductible.

Can I use my HSA to pay for voluntary cosmetic surgery?

The HSA can only be used for cosmetic surgery if prescribed by a physician and deemed as medically necessary.