

HEALTH SAVINGS ACCOUNT (HSA) FREQUENTLY ASKED QUESTIONS

Goodwin University & University of Bridgeport have partnered with HSA Bank to provide a Health Savings Account (HSA) to participants enrolled in the **Plan 5 – HSA \$2,500/10%** only.

- Goodwin University & University of Bridgeport make it easy for you to deposit your pre-taxed funds directly into your HSA with HSA Bank
- In order to contribute to your HSA, you must first open the account by completing the enrollment form on Employee Navigator or by enrolling on www.HSABank.com
- **Please Note:** You as the account holder are responsible to determine if the total contributions to your HSA account exceed the Calendar Year Limits (*see table below*)

| HSA Maximum Annual Calendar Year Limits: | |
|---|-------------|
| Maximum Health Savings Account Contribution per Calendar Year: | 2024 |
| If enrolled in the Buy-Down HDHP as an individual: | \$4,150 |
| If enrolled in the Buy-Down HDHP with dependents: | \$8,300 |
| Additional Catch Up permitted (if age 55 or older) | \$1,000 |

To be eligible to have an HSA account and contribute to your account on a pre-tax basis, you must NOT be:

- Covered by **any** non-qualified plans, including:
 - > A medical plan through your spouse or another employer
 - > Medicare / Medicaid (**Including the election of Part A or B**)
 - > Enrolled in a **full-purpose Health FSA including any remaining funds in the grace period or rollover from the current plan year, even if through a spouse's employer plan**
 - > Claimed as a dependent on someone else's tax return

What Are the Benefits of a Health Savings Account?

- An HSA is a personal account that allows you to save on a pre-tax basis to pay for current and/or future medical, dental and vision expenses for yourself and your legal tax dependents
- HSA contributions are tax-free, the growth is tax free, and qualified distributions are tax free
- You own this account - in the event you change jobs, switch healthcare plans in the future or retire, the available funds rollover year after year without a dollar limit and are yours to keep

You don't pay state or federal taxes on the funds you contribute to your HSA

You can grow and invest your HSA funds, and never pay taxes on earnings

You don't pay taxes on HSA funds you use to reimburse yourself for eligible health expenses

HEALTH SAVINGS ACCOUNT (HSA) FREQUENTLY ASKED QUESTIONS

- **What is a coverage gap?** This is the gap between total out-of-pocket expenses associated with your high deductible health plan and your HSA dollars. For example, assume that you have a \$2,000 deductible, a \$4,000 maximum out-of-pocket, and either you or your employer has contributed \$2,000 to your HSA account. If your medical costs incurred exceed \$4,000 for the year, then you are financially obligated to pay the difference between your total maximum out-of-pocket (\$4,000) and your HSA balance (\$2,000) - ($\$4,000 - \$2,000 = \$2,000$)
- **What happens when my HSA funds run out?** You may be financially responsible for any eligible medical expenses that fall within the coverage gap.
- **Can I use my HSA dollars for non-eligible expenses?** Money withdrawn from an HSA account to reimburse non-eligible medical expenses is taxable income to the account holder and is subject to a 20 percent tax penalty - unless over age 65, disabled or upon death of the account holder.
- **When can I start using my HSA dollars?** You can use your HSA dollars immediately following your HSA account activation and once contributions have been made.
- **When do I contribute to my HSA account, and how often can I?** You, your employer or others can contribute to your HSA account through payroll deductions or as a lump sum deposit. You can contribute as often as you like, provided your (and your employer's) total annual contributions do not exceed the annual limits. Individuals that are age 55 or older may be eligible to make "catch-up" contributions up to \$1,000.
- **How do I pay my physician or network facility at time of service with my HSA dollars?** You may request that the network provider submit your claim to your health plan. You should make sure that your provider has your most up-to-date insurance information. Once the medical claim has been processed, if applicable, out-of-pocket expenses will be billed. At this time, you may choose to use your HSA debit card or HSA check to pay for any out-of-pocket expenses, or you may choose to pay with your own money and receive reimbursement at a later date. You should always ask that your medical claim be submitted to the health plan before you seek reimbursement from your HSA. This procedure will ensure that provider discounts are applied. Also, remember to keep all medical receipts and Explanation of Benefits (EOBs).
- **What if I have HSA dollars left in my account at year-end?** The money is yours to keep. It will continue to earn interest and will be available for you and your health care costs next year.
- **How do my remaining HSA dollars rollover at year-end?** Any dollars left in your HSA account at year-end will automatically roll over into next year's HSA account.
- **What happens to my HSA dollars if I leave my employer?** The funds are yours to keep. You may elect one of the following options:
 - > Leave your funds in the current HSA account
 - > Transfer your funds to an HSA with your new employer
 - > Transfer your funds to another qualifying account within 60 days
- **Can my HSA dollars be used for retirement health care costs?** Yes, only for expenses eligible for reimbursement
- **Can I use the money in my account to pay for my dependents' medical expenses?** You can use the money in the account to pay for medical expenses of yourself, your spouse or your dependent children. You can pay for expenses of your spouse and dependent children even if they are not covered by your HDHP
- **Can couples establish a "joint" account and both make contributions to the account, including "catch-up" contributions?** "Joint" HSA accounts are not permitted. Each spouse should consider establishing an account in their own name. This allows you to both make catch-up contributions when each spouse is 55 or older
- **My employer offers an FSA – can I have both an FSA and an HSA?** You can have both types of accounts, but only under certain circumstances. General Flexible Spending Accounts (FSAs) will probably make you ineligible for an HSA. If your employer offers a "limited purpose" (limited to dental, vision or preventive care) or "post-deductible" (pay for medical expenses after the plan deductible is met) FSA, then you can still be eligible for an HSA
- **Can I shift my IRA funds to my HSA?** Owners of individual retirement accounts that are enrolled in a high deductible health plan can shift IRA funds to an HSA without facing a tax penalty. The IRS allows a one-time transfer that does not exceed your maximum HSA contribution limit
- **Can I borrow against the money in my HSA?** No. You may not borrow against it or pledge the funds in it. For more information on prohibited activities, see Section 4975 of the Internal Revenue Code
- **Can the funds in an HSA be invested?** Yes, you can invest the funds in your HSA. The same types of investments permitted for IRAs are allowed for HSAs, including stocks, bonds, mutual funds, and certificates of deposit

HEALTH SAVINGS ACCOUNT (HSA) ELIGIBLE AND INELIGIBLE EXPENSES

Sample Eligible Expense

BABY/CHILD TO AGE 13

- ✓ Lactation Consultant
- ✓ Lead-Based Paint Removal
- ✓ Special Formula**
- ✓ Tuition: Special School/Teacher for Disability or Learning Disability**
- ✓ Well Baby /Well Child Care

DENTAL

- ✓ Dental X-Rays
- ✓ Dentures and Bridges
- ✓ Exams and Teeth Cleaning
- ✓ Extractions and Fillings
- ✓ Oral Surgery
- ✓ Orthodontia
- ✓ Periodontal Services

EYES

- ✓ Eye Exams
- ✓ Eyeglasses and Contact Lenses
- ✓ Laser Eye Surgeries
- ✓ Prescription Sunglasses
- ✓ Radial Keratotomy

LAB EXAMS/TESTS

- ✓ Blood Tests and Metabolism Tests
- ✓ Body Scans
- ✓ Cardiograms
- ✓ Laboratory Fees
- ✓ X-Rays

HEARING

- ✓ Hearing Aids and Batteries
- ✓ Hearing Exams

MEDICATIONS

- ✓ Insulin
- ✓ Prescription Drugs

MEDICAL EQUIPMENT/SUPPLIES

- ✓ Arches and Orthotic Inserts
- ✓ Air purification Equipment**
- ✓ Contraceptive Devices
- ✓ Crutches, Walkers, Wheelchairs
- ✓ Exercise equipment **
- ✓ Hospital Beds & Mattresses**
- ✓ Medic Alert Bracelet or Necklace
- ✓ Nebulizers
- ✓ Orthopedic Shoes**
- ✓ Oxygen Equipment
- ✓ Post-Mastectomy Clothing
- ✓ Prosthetics
- ✓ Syringes
- ✓ Wigs**

MEDICAL PROCEDURES/SERVICES

- ✓ Acupuncture
- ✓ Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- ✓ Ambulance
- ✓ Fertility Enhancement and Treatment
- ✓ Hospital Services
- ✓ Immunization
- ✓ In Vitro Fertilization
- ✓ Physical Examination (not employment-related)
- ✓ Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- ✓ Service Animals
- ✓ Sterilization/Sterilization Reversal
- ✓ Transplants (including organ donor)
- ✓ Transportation**

OBSTETRICS

- ✓ Breast Pumps and Lactation Supplies
- ✓ Lamaze Class
- ✓ OB/GYN Exams
- ✓ OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- ✓ Pre- and Postnatal Treatments

PRACTITIONERS

- ✓ Allergist
- ✓ Chiropractor
- ✓ Christian Science Practitioner
- ✓ Dermatologist
- ✓ Homeopath
- ✓ Optometrist
- ✓ Osteopath
- ✓ Physician
- ✓ Psychiatrist or Psychologist

THERAPY

- ✓ Alcohol and Drug Addiction
- ✓ Counseling (not marital or career)
- ✓ Hypnosis
- ✓ Massage**
- ✓ Occupational
- ✓ Physical
- ✓ Smoking Cessation Programs
- ✓ Speech
- ✓ Weigh Loss Programs**

✓ **Note: This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (**) are “potentially eligible expenses” that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.**

Sample Eligible Over the Counter Expenses

- ✓ Acid controllers
- ✓ Acne medications
- ✓ Allergy & sinus
- ✓ Antibiotic products
- ✓ Antifungal (Foot)
- ✓ Antiseptics & wound cleansers
- ✓ Anti-diarrhea's & Anti-gas
- ✓ Anti-itch & insect bite
- ✓ Baby rash ointments & creams

- ✓ Baby teething pain
- ✓ Cold sore remedies
- ✓ Contraceptives
- ✓ Cough, cold & flu
- ✓ Denture pain relief
- ✓ Digestive aids
- ✓ Ear care
- ✓ First aid burn remedies
- ✓ Foot care treatment
- ✓ Hemorrhoidal preps

- ✓ Incontinence protection & treatment products
- ✓ Laxatives (non-fiber)
- ✓ Medicated nasal sprays
- ✓ Menstrual care products
- ✓ Motion sickness
- ✓ Pain relief (includes aspirin)
- ✓ Skin treatments
- ✓ Sleep aids & sedatives
- ✓ Smoking deterrents
- ✓ Stomach remedies

Ineligible Expense Examples

- Concierge service fees (billed for future services; no treatment provided)
- Cosmetics and cosmetic surgery
- Deodorant

- Fitness programs
- Funeral expenses
- Hair transplants
- Household help

- Illegal operations and treatments
 - Maternity clothes
 - Teeth whitening
- These items are not typically eligible for tax-free purchase with your account funds.**