HEALTH SAVINGS ACCOUNTS
FREQUENTLY ASKED QUESTIONS

Who is eligible for a Health Savings Account (HSA)?
Individuals covered by a High Deductible Health Plan and who do not have any other coverage that is not a high deductible health plan may be eligible for an HSA.

What qualifies as a High Deductible Health Plan?
In order for a plan to qualify as a high deductible health plan, the annual deductible for self-only coverage cannot be less than $1,200. For family coverage, the deductible cannot be less than $2,500.

How do I open an HSA?
If you enrolled in the Public Employees Benefits Program (PEBP) Consumer Driven Health Plan, and you have no other coverage that is not a high deductible health plan, then PEBP automatically opened a Health Savings Account for you. If you recently changed address, HealthScope (vendor that handles the HSA) requires that you verify your identity before opening the account for you. If you do not submit the information requested by Health Care Bank, your account will be converted to a Health Reimbursement Arrangement (HRA).

How do I contribute to an HSA?
You can make pre-tax contributions to your HSA through payroll deduction. To start the payroll deduction, you will need to contact HealthScope at 888-763-8232 or enter the deduction on-line at www.healthscopebenefits.com.

How much can I contribute annually to an HSA?
HSA contributions have calendar year limits and these are set by the IRS. For 2013, you can contribute up to $3,250 to an HSA if you have self-only coverage or up to $6,450 if you have family coverage. If you are age 55 or older, you can contribute an extra $1,000. Contributions made by your employer to your HSA accounts are counted towards this limit.

I heard that the Public Employees Benefits Program (PEBP) will be putting money into my HSA. How much money will I be receiving and when can I expect it?
The PEBP Board approved allocating $700 into a participant's HSA account plus an additional $200 for each covered dependent to a maximum of three dependents. Additionally, those employees who are covered under the Consumer Driven Health Plan effective July 1, 2013 will also receive a one time additional contribution of $697 (participant) and $215 for each covered dependent to a maximum of three dependents.

	PRIMARY PARTICIPANT	DEPENDENT (MAXIMUM OF THREE DEPENDENTS)
REGULAR CONTRIBUTION	$700	$200
ONE-TIME CONTRIBUTION IF COVERED ON 7/1/2013	$697	$215

Am I still eligible to receive this PEBP contribution if I am not eligible for an HSA, but am covered in the Consumer Driven Health Plan?
Yes you will still receive the PEBP contribution, but it will be deposited into a Health Reimbursement Arrangement (HRA). The HRA works just like an HSA, except that the account is owned by PEBP and not by the employee. Additionally, you will not be able to make additional contributions to an HRA account.

How do I access the money in my HSA account?
Once your HSA has been established, you will receive a credit card from HealthScope. You can use this credit card to access your HSA funds. You can also file a paper claim and be reimbursed either by check or EFT. The HSA claim form is available on HealthScope's website at www.healthscopebenefits.com

What is the difference between HSAs and the Flexible Spending Account (FSA)?
The tax benefits of both plans are very similar, but there are some differences in the plans. The biggest difference is that unused monies in the HSA can rollover from year to year and continues to grow tax-deferred; whereas unused monies in a FSA are forfeited at the end of the plan year.

Availability of the funds for use is also different. In an FSA, you have access to your full annual election at the beginning of the plan year even though the money has not yet been taken out of your paycheck. In an HSA, you only have access to funds that are already in your account.

If my employer offers both, can I participate in both?
If you have an HSA, you will only be eligible for a **limited scope FSA**. This means you can only use the funds in your FSA for items not covered by your high deductible health plan – like dental and vision expenses.

What happens to my money in the HSA account if I leave employment?
You can keep the money in your HSA even after you leave your job. You can continue to use the money in your HSA to pay for qualified medical expenses including COBRA premiums. Or you can choose to use the money for non-medical expenses, but if you do so, you will be subject to a 20% penalty plus you will be taxed on that distribution.

How are my HSA contributions reported to the IRS?
HSA contributions are reported on your W2. This includes any contributions made by your employer plus any contributions you made through payroll deduction (pre-tax contributions). Both contributions are reported as employer contributions.

What happens to the money in the HRA account if I leave employment?
Since the HRA is owned by PEBP, any money left in the HRA when your coverage ends, will return to PEBP.

I was not eligible for the HSA when I initially signed up since I had other coverage that was not a high deductible plan so PEBP opened an HRA account for me. However, I no longer have that secondary coverage; can I sign up for the HSA?
Yes you can sign up for the HSA during open enrollment if you are still on the High Deductible Health Plan. However, any money still left in your HRA account will be forfeited after June 30, 2013.

Are HRA contributions reported to the IRS?
No, since HRA accounts is considered owned by PEBP, this is not reported in your W2.