Health Savings Account Frequently Asked Questions

St. Luke's offers a high deductible health plan (HDHP). This HDHP also includes a Health Savings Account that can be used to pay for qualified medical expenses or to save for future medical expenses.

What is A Health Savings Account?
A Health Savings Accounts (HSA) is a tax-advantaged savings account under Code Section 223 that an individual or an employee may establish and put money into on a tax-advantaged basis to save for current and future qualifying medical expenses. It also allows individuals to take charge of how their health care dollars are spent. Designed to work together with an HSA-eligible health plan, an HSA can be used to pay for qualified medical expenses such as doctor visits, prescriptions and even some over-the-counter medications. The HSA is often referred to as a "medical 401(k)", because the account is owned by the individual or employee (it is not a group plan), earns tax free interest, rolls over from year to year, and moves with the employees wherever they go: to a new job, a change in health plans or even in retirement.

- Anyone who buys a qualified high deductible health plan (one that meets the requirements the government has determined), with at least a $1,500 single or $3,000 family deductible, qualifies for an HSA.
- The money you deposit into your Health Savings Account, as well as earnings are tax deferred. You can withdraw money at any time to pay for qualified medical expenses, without being penalized.
- You can even roll over unused balances from year to year.

How can I save with an HSA?

- Contributions can be made through payroll deduction into an HSA on a pre-tax basis.
- You can earn tax-free interest on HSA contributions and use that money to pay for qualified medical expenses.
- Withdrawals from the HSA are tax free if used for qualified medical expenses
- Unlike Flexible Spending Accounts, HSAs have **no "use it or lose it"** requirement and can also stay with employees when they change jobs or retire.

Does St. Luke's contribute to my account?

- Yes. St. Luke's will contribute $500 for individual coverage accounts and $1000 for employee plus children, spouse or a family. This amount will be prorated for new employees starting after January.

What is the maximum amount I can contribute pre-tax in 2023?

- The maximum an individual can contribute to an HSA in 2023 is $3,850 and the most a family can contribute is $7,750. This amount does have to include any employer contribution. Since St. Luke's is contributing $500 for individuals and $1000 for other accounts, the maximum an employee can contribute in 2022 is $ 3,350 and the maximum employee plus family can contribute is $6,750. Employees 55+ years of age can contribute an additional $1,000 totaling $4,350 for individuals and $7,750 for family.

How do I access my HSA funds?

- When you open an account, you are issued a Bank of America **HSA Visa® debit card** that makes it easy to pay for qualified medical expenses.
- You also have **online access to account transactions**, so keeping tabs on medical spending is easy. Once you enroll, you will receive a welcome packet with information on how to access your account.

How can I use my account savings?

- Standard medical services such as office visits and annual medical physicals.
- Prescriptions, some over-the-counter medicines, and health care products.
- Preventive and restorative dental care, as well as orthodontia for children and adults.
- Eyeglasses, contact lenses, and laser eye surgery.

What happens to my HSA if I am no longer enrolled in an HSA-compatible health plan?

- You will no longer be eligible to contribute to the HSA. However, you will still have access to the HSA, and can use the funds as you choose. Withdrawals for qualified medical expenses will still be tax-free.

Can I contribute to my Flexible Spending Account if I have an HSA?

- You are not eligible to contribute to a Medical Spending Account if you are in the HDHP and have an HSA. You can still contribute to the Dependent Care Spending Account.

Can my HSA earn interest?

Yes, funds in your HSA earn interest, and interest earnings are tax-free.

Balance	Annual percentage Yield
$0.00 to $2,500.00	0.10%
$2,500.01 to $7,500.00	0.20%
$7,500.01 to $10,000.00	0.25%
$10,000.01 to $25,000.00	0.35%
$25,000.01 and over	0.45%

If I make payroll deduction contributions to my HSA, when will the money be available?

- Initial funding may take 2 – 3 weeks for deposit of St. Luke's seed money. You can pay out of pocket for eligible expenses and then reimburse yourself once the seed money has been posted to your account.
- If you already have a personal account with Bank of America, your contributions will be available in your account after 2 business days. If you do not have a Bank of America account, it will be available after 4 days.

Do I earn interest on my Health Savings Account?

- You do not earn interest on the account, however if you exceed a threshold, you can elect to direct your contributions to mutual fund investment options. You would then be entitled to any earnings (or losses) based on the performance of the funds. You would need an account balance of $1000 or greater to take advantage of the investment options.

What happens to my account if I leave St. Luke's or retire?

- Your account will remain yours; however, you would be responsible for the monthly account fees.

Who do I contact for more information?

- Bank of America Customer Care Center at 800-718-6710. Customer Service representatives are available 24/7/365.
- **HSA Resource Center** at: **http://healthaccounts.bankofamerica.com**

Additional Websites:

https://healthaccounts.bankofamerica.com/hsaguide/

https://healthaccounts.bankofamerica.com/assets/pdf/investment_menu_core_consumer.pdf

IRS Publication 969 https://www.irs.gov/pub/irs-pdf/p969.pdf

https://www.irs.gov/pub/irs-pdf/p502.pdf

https://healthaccounts.bankofamerica.com/index.shtml

Click this Enrollment Link to begin the enrollment: https://myhealth.bankofamerica.com/Login.aspx?sec=BRL-RTLBOA

What to expect after completing your online enrollment:

- You will not receive an email confirmation.
- It will take approximately 1-2 business days to process your HSA application.
- Once the account is set up, a Welcome Kit will be delivered to your email address. You will receive a Bank of America Health Savings Account Visa® debit card in the mail within 7 business days.
- You can access your HSA account at: **https://myhealth.bankofamerica.com**
- Once your new HSA account is active, and you complete a Transfer Request Form and submit it to your existing HSA provider. The HSA provider will generate a check for your HSA funds and mail it directly to Bank of America. Once the check is received, it will go through the deposit process and funds will be posted to your new Bank of America HSA account.