Sample Company

<u>HSA Eligibility</u>

Health Savings Account:
The key rules with a QHDHP come into play with accompanied Health Savings Account. Because the HSA is a pre-tax account, the IRS has established specific rules to abide by.

HSA Eligibility

- You are eligible to participate in a HSA only if you are covered by a Qualified High Deductible Health Plan (our plans are qualified plans).
- You have no other health coverage (dual coverage through your spouse).
- You are not enrolled in any part of Medicare.
- You are not claimed as a dependent on someone else's tax return (filing jointly with a spouse is acceptable).
- You or your spouse do not participate in a Medical Flexible Spending Account (Cafeteria 125 plan).

Again, if your spouse has a traditional health insurance plan that covers only him/herself and your children, then you are eligible to participate in a QHDHP with a HSA. However, one's spouse cannot have a Medical Flex Account at the same time that you have a Health Savings Account. This is considered "double dipping" by the IRS.

Important Notes:

If you are currently enrolled in a traditional plan but you enrolled in the QHDHP for the new plan year, you cannot use HSA funds for expenses incurred prior to the HSA start date.

If you are currently enrolled in a Flexible Spending Account and enrolled in the QHDHP, you must zero out your medical FSA before you establish your HSA. You cannot have a FSA and contribute to a HSA at the same time.

You are not eligible to set up a HSA if you or your souse has a medical FSA.

You are not eligible to set up a HSA if you have secondary insurance coverage under your spouse.

Here is a link to the IRS rules for QHDHP with HSA: https://www.irs.gov/publications/p969

The IRS attributes all eligibility and tax implications <u>to the employee</u>. It is the individual's, not employer's, responsibility to ensure all IRS guidelines and regulations are understood and followed by the enrollee.