

Introduction to Health Savings Accounts



2012

Presented by:

**Benefits
Corporation**
of Indiana



Why



More Flexible

Affordable – Combining Two Components:

#1 - H.D.H.P. High Deductible Health Plan.

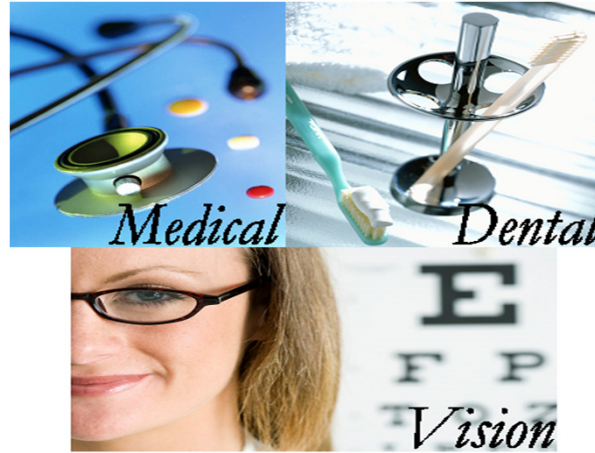
#2 - H.S.A. (Health) Savings Account.

Savings – Higher Deductibles reduce health insurance premiums.
offering participants more dollars to contribute to an H.S.A.

Ownership & Control – H.S.A.'s are 100% Employee Owned & vested.

Portability – You can keep your H.S.A if you change employers.

#1) Medical Insurance



High Deductible Health Plan guidelines:

2012

Minimum Deductible	Single	\$ 1,200	Family	\$ 2,400
Maximum O.O.P.	Single	\$ 6,050	Family	\$12,100

100% no deductible annual Wellness Benefits.

Prescription Drugs & Dr. Visits are subject to your Annual deductible

2) H.S.A. Overview



+



Eligible - If you have **no other “First Dollar” Medical Insurance**, not enrolled in Medicare, not a dependent, not covered under a (Medical) FSA or HRA.

Post Deductible - F.S.A.s or H.R.A.’s are allowed only if they provide reimbursement after the min. annual deductible has been satisfied.

Ownership & Control – H.S.A.’s are 100% Employee Owned & vested.

Portability - You can keep your H.S.A if you change employers. You can continue making H.S.A. contributions, if you continue coverage under a H.D.H.P.
If not ***you can spend down your H.S.A. account.***

Annual Balance Role over - each year. ***(If you don’t use it . . . You don’t loose it)***

Tax Advantages - 1) Tax Deductible contributions, 2) Tax Free investment earnings, 3) Tax Free withdraws of Qualified medical expenses (see IRS code 213b). 4) Non Qualified distributions (<65) are subject to 10% IRS penalty + Ordinary Tax .

Other benefits – Pay for medical expenses for Spouse & Dependents even if they are not covered under a H.D.H.P., Cobra payments, Medicare premiums & out of pockets.



Who Contributes to an H.S.A. ?


- **Answer** : Either Employee or Employer, or Combination thereof can make H.S.A. contributions up to the annual limits.
- If an employer contributes, regulations require “**Comparable Contributions**”.
- “Comparable participating employees” means; Eligible individuals who are in the same category of employees and who have the same category of HDHP coverage.
- Categories include:
self-only, family; family can be self plus one, self plus 2, self plus 3 or more.

2012 H.S.A. Limits:

Single - \$3,100

Family - \$6,250

Real Life. . .it's simple Math !



Higher Premium
Lower Ded. &
O.O.P.

Traditional Insurance

Add your total annual out of pocket expenses including;

Medical/Dental/Vision premiums

Deductibles/Out of Pocket expenses/Co-pay's

Medical Ded \$ _____

Medical OOP \$ _____

RX co-pays \$ _____

Dr's co-pays \$ _____

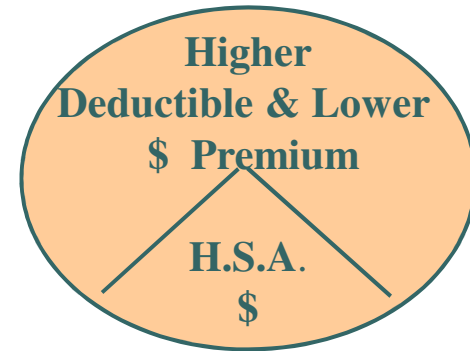
Dental Ded \$ _____

Dental OOP \$ _____

Vision OOP \$ _____

Single Total \$ _____

Family Total \$ _____



H.S.A. Approach

➤ Add your total annual Medical premiums;

➤ Medical/Dental/Vision premiums

➤ Deductible/Out of Pocket expenses/Co-pay's

Single \$ _____

Family \$ _____

➤ Then compared to Traditional Coverage

including Premium & Out-of Pocket Expenses

➤ How much is left over (if any)

\$ _____ this is the amount

that could be contributed to your HSA

with out incurring any additional out

of pocket expenses.