



Health Savings Accounts

Simple. Secure. Smart.

An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses.

Who is eligible?

An individual is eligible if they satisfy all four of the following conditions on the first day of a month:

1. The individual is covered under a qualifying high deductible health plan (HDHP).
2. The individual is not also covered by another health plan that is not an HDHP.
3. The individual cannot be a dependent on another tax return.
4. The individual cannot be entitled to Medicare benefits.

Requirement of Qualified HDHP*

<u>Type of Coverage</u>	<u>Minimum Annual Deductible</u>	<u>Maximum Annual Out of Pocket Expense**</u>
Individual	\$1300	\$6550
Family	\$2600	\$13100

*Figures reflect 2016 calendar year and will be adjusted annually

**Includes the deductible.

HSA Trust

An HSA Trust or custodial account can be established by the eligible individual, an employer, or a family member of the eligible individual on the individual’s behalf. However, it is the eligible individual’s account, regardless of who establishes it. Once funds are placed into the trust, it is the individual’s and cannot be taken away.

Contribution Limits

Any person may contribute to an HSA on a tax favored basis to the extent that the sum of all contributions do not exceed:

- \$3350 for individual coverage and \$6750 for family coverage for the 2016 calendar year

Unlike medical savings accounts (MSA) the employer and employee may both contribute to the HSA in the same year. Rollover contributions may be accepted from another HSA or MSA and are not subject to the annual contribution limits.

Individuals that are age 55 or older by the end of the tax year are permitted to make “catch-up” contributions as long as they qualify. In 2016, an additional \$1000 may be contributed.

Reporting

Form 5498 will be sent to member and IRS to report total contributions made to the account during the year and value of the account at year-end. Form 1099-SA reports the total distributions taken from the account during the year.

United Credit Union offers both savings and checking HSA accounts with debit card access to the checking accounts. Call (877) 581-8651 or come by our office to speak with a Member Service Representative for more information!