

Health Savings Account (HSA) 2018

Establishment of account	Individual, employer
High deductible health plan (HDHP) required	Yes
Control/ownership of account	Employee
Account portability	Yes; required
HDHP eligible deductible minimum	\$1,350 individual \$2,700 family
Maximum contribution	\$3,450 individual \$6,900 family
Out-of-pocket maximum (in network; included deductible)	\$6,650 individual \$13,300 family
Catch-up contribution	\$1,000 (for individuals 55 & older)
Funding	Individual, employee salary reduction dollars, employer, third party
Required pre-funding	Yes
Carryover of unused funds	Yes; non-forfeitable
Qualified expenses	Qualified medical expenses as defined under IRS Publication 502 including OTC medicines. Premiums for COBRA, LTC, health insurance when unemployed or over 65 (except Medigap)
Who can use funds	Individual and all eligible dependents
Disbursement of money	Checks, debit card, withdrawal slips
Claims substantiation	No; but be prepared should IRS inquire
Rollover from other funds	Permitted on one-time basis
Cash out of unused funds	Permitted – taxable & subject to 20% excise tax unless disabled, deceased or over age 65
Tax treatment of contributions	Individual or employee to their own HSA – tax deductible. Employer to employee's HSA – deductible by employer, excluded from employee's gross income.
Taxation of interest or dividends	Varies based on use

Partial list of qualified health care expenses (IRS Publication 502 - www.irs.gov/pub/pdf/p502.pdf)

Acupuncture	Gynecologist	Psychologist
Alcoholism treatment	Hearing aids and batteries	Smoking cessation programs
Ambulance services	Hospital bills	Special education tutoring
Annual physical examination	Insurance premiums**	Surgery
Artificial limb or prosthesis	Laboratory fees	Telephone or TV equipment to assist the hearing or vision impaired
Birth control pills (by prescription)	Lactation expenses	Therapy or counseling
Chiropractor	Lodging	Medical transportation expenses
Childbirth/delivery	(away from home for outpatient care)	Transplants
Convalescent home (for medical treatment only)	Nursing home	Vaccines
Crutches	Nursing services	Vasectomy
Doctor's fees	Obstetrician	Vision care (including eyeglasses, contact lenses, lasik surgery)
Dental treatments (including x-rays, braces, dentures, fillings, oral surgery)	Osteopath	Weight loss programs (for a specific disease diagnosed by a physician – such as obesity, hypertension, or heart disease)
Dermatologist	Oxygen	Wheelchairs
Diagnostic services	Pregnancy test kit	X-rays
Disabled dependent care	Podiatrist	
Drug addiction therapy	Prescription drugs and medicines (over-the-counter drugs are not IRS-qualified medical expenses unless prescribed by a doctor)	
Fertility enhancement (including in-vitro fertilization)	Prenatal care & postnatal treatments	
Guide dog (or other service animal)	Psychiatrist	

Provided by

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**This flyer provides a simplified description; please refer to the IRS or your plan documents for complete details and descriptions*

** Insurance premiums may not be reimbursed from an FSA. Except for certain retiree plans, HRAs may not generally reimburse premiums for individual policies of health insurance other than vision and dental insurance. Insurance premiums only qualify as an IRS-qualified medical expense for HSAs under the following circumstances: while continuing coverage under COBRA; for qualified long-term care coverage; coverage while receiving unemployment compensation; for any healthcare coverage for those over age 65 including Medicare (except Medicare supplemental coverage).