

Information on your Health Savings Account (HSA)

Contributing to your HSA

Verify the following qualifications are met on the first day of each month to determine your maximum contribution amount

- ✓ Covered by a High Deductible Health Plan
- ✓ Not covered by any other general health plan that is not a High Deductible Health Plan
- ✓ Not enrolled for Medicare
- ✓ Not eligible to be claimed as a dependent on another's income tax return

Determine your Maximum Contribution amount:

The Annual Regular Contribution Limit is the amount which can be deposited (contributed) to an HSA by the owner and employer combined, if the owner meets all qualifications listed above on the first of each month of the year.

| 2024 Annual Limits by Coverage Type | | |
|-------------------------------------|-----------|--------------------|
| Family | Self ONLY | Age 55+ |
| \$8,300 | \$4,150 | Additional \$1,000 |

When coverage changes throughout the year, or qualifications are not met on the 1st of each month, the HSA owner will use the Monthly Average multiplied by the total months they were covered under each type to determine how much they are eligible to contribute for the year.

The Monthly Average is determined by dividing the Annual Regular Contribution Limit by 12 (months in the year).

| 2024 Monthly Average by Coverage Type | | |
|---------------------------------------|-----------|-------------------------------|
| Family | Self ONLY | Age 55+ |
| \$691.66 | \$345.83 | Eligible for full \$1000/year |

Calculating Contribution Limit Example

An HSA owner under age 55 who qualified with family coverage for six months, qualified with self-only coverage for four months, and did not qualify for two months would calculate their limit as follows:

| Example based on 2024 Limits | | |
|------------------------------|---------------------|------------|
| Coverage Type | Equation | Total |
| Family | $\$691.66 \times 6$ | \$4,149.96 |
| Single | $\$345.83 \times 4$ | \$1,383.32 |
| Not Eligible | $\$0 \times 2$ | \$0 |
| Total | | \$5,533.28 |

Married HSA Eligible Individuals

Per IRS guidelines, HSAs cannot be joint. The spouse of an HSA owner:

- ✓ Can access the account if named as an agent by the owner
- ✓ Will be named as a primary beneficiary receiving at least 50% of the assets upon the owner's death, unless the spouse signs a statement of consent

- ✓ Must open their own HSA if they wish to take advantage of the catch-up contribution

Setting Up Direct Deposit

Employer contributions are made on a pre-tax basis. These can be set up by providing your employer with your full 12-digit HSA account number and Fox's routing number: 275977256

Distributing from your HSA

When withdrawing funds from your HSA, the following dollar amounts will be needed when filing your taxes.

Track two amounts throughout the year:

- ✓ Total of paid receipts for approved medical expenses
- ✓ Total amount withdrawn from HSA including but not limited to:
 - o automatic payments (ACH)
 - o personal checks
 - o cash withdrawals completed by a teller
 - o internal transfers completed by a teller or through Digital Banking
 - o wire transfer
 - o debit card transactions
 - o online Bill Pay

Verify the total withdrawn does not exceed the total paid receipts

When tracking these two amounts, the total withdrawn should not exceed the total paid in receipts.

Funds withdrawn in excess of the amount paid in approved medical expenses will be subject to your income tax rate plus a 20% income tax penalty unless:

- ✓ Owner qualifies as disabled
- ✓ Funds are paid to the owner's heir(s) or estate upon the owner's death
- ✓ Owner is 65 year of age or older
- ✓ Funds are removed as an excess contribution (the owner contributed more than they qualified to contribute)

What if my HSA goes negative?

If your account goes negative, the HSA account ceases to be an HSA effective January 1st of that year. Contact Fox for more information at 920-993-9000.

Resources Available

- ✓ Publication 969 on [irs.gov](https://www.irs.gov)
- ✓ HSA disclosure provided at account opening
 - o Can also be provided upon request