

Welcome!

The HSA Authority is dedicated to providing you with information and tools to help you manage your health savings account in the best way possible. Included in this edition is information regarding the 2014 HSA Contribution Limits, a review of the HSA Eligibility Rules, Q & A regarding HSAs and Medicare, and interesting HSA Facts.



Website Tools

To access the tools when visiting our website, simply choose "Tools" from the navigation menu at the top of the page. You'll find beneficial information such as:

Educational HSA Video: A tutorial that includes information on all aspects of using your HSA.

Informative Bulletins: Bulletins on HSAs and Medicare, HSAs and Retirement, Healthcare Cost Savings Strategies, and Prescription Drug Cost Saving Strategies.

HSA Calculators: Compare a high deductible health plan with an HSA to a Traditional Health Plan, and calculate the future value of an HSA.

Health Information Links: Link to informational websites to compare important hospital quality data, plus more.

Medtipster: Locate affordable generic drug programs available across the country.

Customer Care

As always, your feedback is greatly appreciated. If you have any questions or concerns, you can reach Customer Care at:

Online: theHSAauthority.com
E-mail: info@theHSAauthority.com

Phone: 888.472.8697, Option 1
8:00 am - 6:00 pm (Eastern)
Monday through Friday

Fax: 260.427.7185

Address: The HSA Authority
Attn: Processing Center
PO Box 11454
Fort Wayne, IN 46858

2014 HSA Contribution Limits Announced

The Internal Revenue Service (IRS) recently announced the annual HSA Contribution Limits for 2014. Persons with Individual insurance plans can contribute up to \$3,300 for the year and those with Family insurance plans can contribute up to \$6,550. The catch-up contribution for those age 55 and older remains at \$1,000. For more information, call us or see IRS Revenue Procedure 2013-25 at: <http://www.irs.gov/pub/irs-drop/rp-13-25.pdf>.

HSA Eligibility Rules

The HSA Eligibility Rules only apply when depositing funds into your HSA. Once the funds are in your account, the money is yours to use for your lifetime.

The owner of the HSA must meet the following criteria to make HSA deposits:

- Must be currently enrolled in a HSA-qualified health plan
- May not be enrolled in any other non-HSA qualified plan
- May not have, or be eligible to use, a general purpose flexible spending account (FSA)
- Cannot be claimed as a dependent on another person's tax return
- May not be enrolled in Medicare, Medicaid or Tricare
- Must not have used VA benefits for anything other than preventative services in the past three months

HSAs and Medicare – Frequently Asked Questions

The Medicare eligibility rule can be confusing. Below are some questions and answers that you may find helpful.

Q – I will be eligible for Medicare this year but do not plan to enroll until I retire. I will remain on my employer's insurance plan until that time. Can I keep contributing to my HSA?

A - Yes, if you are eligible for Medicare, but do not actually enroll, you can continue to contribute to your HSA. Once you enroll in any part of Medicare, even Part A, you will no longer be eligible to contribute to your HSA. (You may need to contact Medicare to defer your enrollment in Part A. Deferring Medicare Part A is only allowed if you delay taking Social Security.)

Q – My spouse is already on Medicare and I will be covered by an HSA qualified High Deductible Health Plan this year. How much will I be able to contribute to my HSA?

A - If you are covering only yourself on your insurance plan (individual coverage) you can contribute up to the individual maximum, which is \$3,250 for 2013. If you are covering both you and your spouse on your insurance plan (family coverage), you will be able to contribute up to the IRS family maximum to an HSA in your name, which is \$6,450 for 2013. In addition, if you are 55 or older, you are eligible to contribute the extra \$1,000 catch-up amount to your HSA.

Q – My spouse is covered by Medicare and is not covered by my High Deductible Health Plan. Can I pay for her medical expenses from the money I have accumulated in my HSA?

A - Yes, you can use your HSA funds to pay for eligible medical expenses for yourself and for your tax dependents, even if they are not covered under your medical plan and even if they have other insurance coverage. This includes paying for co-pays, deductibles, and other eligible expenses.

Q – What happens to the money I have saved in my HSA once I enroll in Medicare?

A - Although you can no longer make contributions to your HSA once you enroll in Medicare, the money that has accumulated in your account remains yours to spend tax-free on eligible medical expenses. If you are age 65 or over, you can pay your Medicare premiums or other health care premiums out of your HSA (supplemental policies are not allowed). You also have the option to withdrawal the money for any purpose and pay only income tax as no penalty applies after age 65. The funds stay tax free when used for qualified medical expenses.

Interesting HSA Facts

The number of individuals with High Deductible Health Insurance coupled with a Health Savings Account continues to grow!

According to Devenir's 2012 year-end HSA survey results:

- Average account balance grows steadily: The average account balance at the end of 2012 grew to \$1,879 from \$1,807 at the end of 2011, a 4% increase.
- Greater than Anticipated Growth: The number of HSAs nationwide rose to more than 8.2 million with balances totaling \$15.5 billion. This was a year over year increase of 22% for accounts and a 27% increase in balances.