

Health Savings Account: Frequently Asked Questions

1. What is the Health Savings Account (HSA)?

A Health Savings Account (HSA) is an account that can be funded with your tax-exempt dollars, or by your employer, or both, to help pay for IRS qualified medical expenses not covered by your insurance plan, including deductible, coinsurance and, in some cases, may be used to pay health insurance premiums. HSA monies can also be saved to use for future IRS qualified medical expenses on a tax-free basis.

2. Who is eligible to establish the HSA? What would disqualify an employee?

All employees selecting Plan 4, the HSA-qualified Health Plan are eligible for the account, unless they are subject to any of the disqualifiers below;

- **Any medical coverage outside of qualified HSA**
- **Flexible Spending Account** - Employee or spouse enrolled in Medical FSA
- **Dual Coverage** - HSA participant covered by another plan not HSA compatible
- **Medicare enrollment** - Employee can opt out of Medicare A & B to retain eligibility
- **VA Benefits (limited eligibility) / TRICARE**
- **Claimed as a dependent on someone else's tax return**

3. What account fees apply to the Further HSA?

GBHT is paying the \$1 per month administrative fee for all employees. This would make the Thrift Saver product absolutely free. Further does not have any additional banking fees, meaning all employees on the Thrift Saver pay nothing to have the account.

4. How does an employee add beneficiaries to the account?

You can add or change beneficiaries through the Online Member Service Center. Members can also contact our Member Service Center to request a Beneficiary Change Form, which can be completed and returned electronically.

5. How will the HSA and existing Medical FSA work together?

Employees already participating in the employer's medical FSA are ineligible to contribute to an HSA until the end of the FSA plan year or longer if there's a grace period or rollover. Refer to the FSA to HSA rules for additional details.

6. How do I move an existing HSA from a previous employer to Further?

An employee has the option to transfer their funds. To manage, please follow the process below:

- Please ensure GBHT has opened your Further HSA and you've received your Spending Account ID number and account number.



Formerly SelectAccount®

- Complete and return the Transfer Request Form to Further by following the instructions on the form.
- Further will sign the form completed by the employee and send to your financial institution to close.
- Your previous HSA will send the funds to Further following the employee's instructions on the completed HSA Transfer form. Once your form has been sent, your current administrator will send the funds to Further within 2-3 weeks. Further will deposit funds to employee accounts within 24 hours of receipt.

7. After the account is established, what if any mail/materials will the employee receive from Further for the HSA?

Within 7-10 business days from account creation, every new member will receive a Visa Debit Card and Welcome envelope. The Welcome envelope will include a Verification letter that includes your Spending Account ID#, as well as the custodial agreement and privacy statement.

8. How does an employee's spouse get access to the account?

The account is owned by the employee, however, a request to add an Authorized Representative (ARI) can be added. This can be managed through the Online Member Service Center. Members can also contact our Member Service Center to request the Authorization to Release Information form, which can be completed and returned electronically.

9. What happens to an employee's balance in the HSA at the end of the year?

All funds not used within a calendar year will carry-over to the next calendar year. There is no limit to the amount of funds that can carry-over. Example: Employee has a \$1000 balance on 12/31/18, if funds remain unspent, all \$1000 will be available 1/1/19.

10. What happens to my account if there is a separation of employment with GBHT?

Upon separation from GBHT, the employee will receive a 'termination letter' from Further. This will inform the client that all unused funds remain an asset of the employee. At termination, GBHT will no longer pay the \$1.00 per month, thus the employee will be assessed a fee of \$1.00 to retain the Thrift Saver account. The existing Visa card and all member information available in the Online Member Service Center will remain available.

11. When can an employee begin to use funds in their account to pay for qualified Medical Expenses?

An employee can use funds within the HSA to cover any medical expenses incurred after the effective date of the account.

Example: If the account was active as of 10/1/18 and the member goes to the hospital for medical services 10/10/18, HSA funds can be used to pay for those medical expenses.

12. What happens when an employee enrolls in Medicare?

Once an employee is eligible and enrolled in Medicare, they are no longer able to contribute funds to the HSA as of the 1st of the month Medicare coverage began. New employees already on Medicare and the qualified HSA health plan would be ineligible to establish the HSA

13. If an employee changes to a non-HSA plan, what happens to the funds in the account?

All funds would remain the asset of the employee and can be used to pay for qualified medical expenses of the employee, spouse and qualified dependents regardless of insurance coverage.

14. What if an employee joins the HSA plan mid-year but already has an FSA?

This employee would not be eligible to establish the HSA until the FSA plan year has ended. Example: New employee chooses the HSA health plan at GBHT, but is covered on her spouse's FSA until 12/31/18. This employee could not establish the HSA until 1/1/19.

15. How does an employee check their HSA balance?

An employee can contact our Medical Banking Specialists from 7am-8pm (CST) to request a balance update, or utilize our 24/7 voice activated number at 800-859-2144. Your balance can also be viewed within the Online Member Service Center at HelloFurther.com

16. How does an employee contact Further for service and/or questions?

The Further Member Service Center is available 7am-8pm (CST) at 800-859-2144

17. How does an employee enroll in the Online Member Service Center?

New members can enroll in the Member Service Center at; <https://member.hellofurther.com/login> (Click on New User? Register). Follow the appropriate prompts and proceed. Each member receives the Spending Account ID# within the Welcome Packet verification letter, but can contact our Member Service Center to retrieve that information.

18. How does an employee pay claims for qualified medical expenses out of the HSA?

Employees can utilize the Visa Debit card, Bill Payment (Pay My Provider), or Electronic Reimbursements. The Bill Payment and Electronic Reimbursements are available via the Online Member Service Center.

19. When can I start contribution to the HSA?

Payroll elections will begin the first pay period after the benefits begin. If your account is established 10/1/18, the first payroll contribution will be made through the first pay period after 10/1.

20. What is the most an employee can contribute to their HSA account in 2018?

Single \$3450

Family: \$69000

over 55 catch-up: \$1000

It is important to note that if you join mid-year, you might only be eligible for a prorated contribution for the months enrolled.

Since our HSA plans generally start October 1, 2018 in most circumstances the employee (and employer if applicable) can contribute the pro-rated amount of the maximum (Single \$3,450 / 12 = \$287.30 X 3 Months = \$862.50) (Family \$6,900 / 12 = \$575 X 3 Months = \$1725) / (55 catch up \$1,000 / 12 = \$83.33 X 3 Months = \$250.00).

21. Can I contribute the IRS maximum if I join the plan mid-year?

Yes. if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers), you are considered to be an eligible individual for the entire year.

Thus, as long as you have a QHDP / HSA health insurance plan on December 1st, you can contribute up to the full amount for that year's contribution limit, based on the type of insurance you had on December 1st (Family / Single). But you have to maintain compliance with the Testing Period.

You must remain an eligible QHDP / HSA individual during the testing period. The testing period begins with the last month of your tax year and ends on the last day of the 12th month following that month (for example, December 1, 2018 – December 31, 2019). If you fail to remain an eligible individual during this period, other than because of death or becoming disabled, you will have to include in income the total contributions made that would not have been made except for the last-month rule.

22. When and how can an employee change the election amount to be contributed into the HSA via payroll deduction?

The employee can change the election amount made via payroll deduction once a month. That is completed by returning the payroll election form or contacting your district contact.

23. What if I do not have enough money in my HSA account to pay my healthcare expense, ie medical, dental or vision?

Employees without enough funds in the HSA to pay a medical expense can use other funds to pay the bill and then reimburse themselves with any future HSA monies.

Example: Member has \$750 within the account and has a bill for \$1000. The member can pay \$750 from the HSA and \$250 from other personal funds. They can then pay themselves back using future HSA contributions to cover that \$250 out-of-pocket that has been spent. There is no time limit on when they can pay themselves back.

24. If I die, what would happen to the remaining funds within my account?

The beneficiary would 'inherit' the account. If the beneficiary is the Spouse, the assets within the account become possession of the Spouse, tax free. The Spouse will establish an HSA and all funds will be transferred. These funds can be used by the Spouse for qualified medical expenses for themselves and any qualified dependents.