

FREQUENTLY ASKED QUESTIONS

HEALTH SAVINGS ACCOUNT

What are the rules to adding money to a HSA?

You may add and accept additional money into your HSA up to the annual IRS allowable maximum. See page 6 for the IRS HSA Contribution Limits.

Can the money in a HSA be invested?

YES. The same types of investments permitted for IRAs are allowed for HSAs, including stocks, bonds, mutual funds, and certificates of deposit. Check with your HSA account holder to see what it offers.

Who has control over the money invested in a HSA?

You control how the money is invested. You can also choose not to invest your money.

Will the bank notify me if I've exceeded my allowable contribution amount?

NO. It is your responsibility to keep track of the amounts deposited and spent from your account, just like a normal savings or checking account.

What happens if I'm enrolled in a HDHP that doesn't run on a calendar year (e.g., April to March)?

You can contribute the full IRS allowable maximum for that calendar year; however, you must remain enrolled in a HSA-qualified HDHP through the end of the next calendar year following your contribution. If you are not in a HSA plan the subsequent year (for reasons other than death or disability), you will face a 20% tax penalty on the money that you "front loaded." Or, you may prorate your HSA contribution for each month you are eligible. HSA eligibility is determined monthly.

If I enroll in a HDHP plan, but it's the middle of plan year, can I still contribute the full amount to my HSA?

YES. As long as you are covered by a HDHP by December 1st of the current plan year and remain covered by a HDHP during the following year, you may contribute the full annual amount, or you may prorate.

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