



# Health Savings Accounts

## Frequently Asked Questions

### Overview

Beginning August 14, Gesa will be offering our members Health Savings Accounts (HSAs). HSAs provide members in high-deductible health plans (HDHPs) certain tax advantages by allowing them to set aside money for medical purposes that is not subject to federal income taxes (and in some cases, state income taxes). Despite being called a “savings” account, this product actually functions as a checking account allowing members to use debit cards or checks to pay for a wide variety of health expenses.

### Frequently Asked Questions

**Q: What is an HSA?**

A: An HSA account is a tax-advantaged\* savings account that you can use to pay for a wide variety of health expenses. It’s a great way to save for both day-to-day and future medical costs.

\*Please consult with your tax advisor.

**Q: What are the advantages of an HSA?**

A: A health savings account can help you stay on top of health care costs while providing you tax-free savings\*.

- Pay lower premiums with a higher deductible health plan
- Pay higher deductibles (when you have medical expenses)
- Make tax-deductible HSA contributions
- Pay for qualified medical expenses with tax-free HSA withdrawals

\*Please consult with your tax advisor.

**Q: Who is eligible to open an HSA?**

A: Individuals/Families covered by a High Deductible Health Plan (HDHP), are not currently enrolled in Medicare, and are not eligible to be claimed as a dependent.

**Q: What kind of plan should I choose?**

A: That will depend on the type of health insurance coverage you have. If your coverage is for an individual, the plan should be an individual plan. If your coverage is for a family, the plan should be a family plan. This should be verified with your employer.

*According to the IRS, the term “family coverage” means any coverage other than self-only coverage. Self-only coverage is a health plan covering only one individual/self-only. HDHP coverage is a HDHP covering only one individual if that individual is an eligible individual. Family HDHP coverage is a health plan covering one eligible individual and at least one other individual (whether or not the other individual is an eligible individual).*

**Q: What are qualified medical expenses?**

A: HSA funds must be used for a qualified medical expense. Some of those expenses include:

- Doctor's office visits
- Prescriptions
- Vision expenses
- Dental expenses
- Long-term care insurance

For a complete listing and explanation of qualified medical expenses, visit [www.irs.gov](http://www.irs.gov) and search for Publication 502.

***Q: Can I use my HSA funds for non-medical expenses?***

A: Yes, but the funds will be subject to income tax and a 20% IRS penalty (Penalty does not apply after age 65).

***Q: How can I make contributions to my HSA?***

A: You can make contributions to your HSA through direct deposit, mobile deposit, ATM deposit, payroll deductions, at any Gesa Member Service Center, or by calling 888.946.4372.

***Q: Who can contribute to my HSA?***

A: The IRS says *“any eligible individual can contribute to an HSA. For an employee’s HSA, the employee, the employee’s employer, or both may contribute to the employee’s HSA in the same year. For an HSA established by a self-employed (or unemployed) individual, the individual can contribute. Family members or any other person may also make contributions on behalf of the eligible individual.”*

Please keep in mind:

- The total amount for the year from all sources cannot exceed the HSA owner’s limit.
- For HSAs at Gesa, please remember **to use the HSA account number**, never the plan number, for contributions.

***Q: How do I access my HSA funds and balance information?***

A: The funds in your HSA are linked to your HSA checking account. When you write checks or use your HSA debit card, funds will be automatically withdrawn from the account. Your HSA will be available for viewing and transactions through Gesa’s Xpress Online or Mobile Banking, including contribution/distribution transfers and bill pay transactions. You can also access funds from your HSA by visiting any Gesa Member Service Center or calling 888.946.4372. Your HSA balance and transaction history will be provided to you on your regular combined statement.

***Q: I have detailed tax questions, can Gesa help me with those?***

A: Please work with your tax advisor on any tax-related questions in regards to this account, including contributions and withdrawals.

***Q: How can I get more information?***

A: The IRS document “Publication 969, Health Savings Accounts and other Tax-Favored Health Plans” ([www.irs.gov](http://www.irs.gov)) is a complete overview of HSAs.

Your employer will be able to answer some of your questions regarding your specific coverage and eligibility.