

Tax Advantaged Health Savings Account (HSA) Plan

- A tax-advantaged plan that provides coverage for current healthcare expenses **with the option to save for future healthcare expenses.**
- Combines a high deductible health plan (medical/pharmacy coverage) with a Health Savings Account (HSA).
- You, Bates or both can contribute to the HSA which is owned by you.
- Contributions to an HSA are not taxable.
- Unlike our current Healthcare Reimbursement Account, any contributions remaining in the HSA roll over from year to year and are yours when you leave Bates.
- You have investment options with an HSA similar to those found in an our 403(b) plan or an individual IRA.
- Distributions from an HSA are tax-free if used for a qualified health expense (dental and vision expenses are included).

HSA Contribution Limits

HSA contributions may be made by you and Bates through payroll on a pre-tax basis.

2014 contribution limits:

- \$3,300 limit for individual level coverage.
- \$6,550 limit for family level coverage.
- Additional \$1,000 "catch-up" contribution if age 55 or over.
- You have the option to adjust contributions any time throughout the year.

Are You Eligible to Participate ?

Because HSA plans have certain tax advantages, the IRS defines specific rules for participation. To be eligible, you:

- Must be enrolled in an IRS-qualified high-deductible medical plan
- Cannot have any other health coverage
 - Not covered by spouse's medical or pharmacy plan
 - Not covered through Medicare Part A or Part B
 - Not covered through a general-purpose Flexible Spending Account (FSA) plan (either employer's or spouse's)
- Cannot be claimed as a dependent on another person's tax return

High Deductible Health Plan (HDHP)

To participate in a HSA you must be enrolled in a HDHP.

Characteristics

- Lower premiums mean you have **lower payroll contributions**.
- Preventive services paid at 100%.
- All other medical expenses subject to deductible (even prescriptions).
- Cost share applies after deductible is met.
- Annual Out-of-pocket maximum applies.
- You can choose to use your HSA to pay for medical expenses or to pay for them out-of-pocket.

High Deductible Health Plan, with an HSA

Preventive Care: 100% coverage (in-network)
All Other Services: Deductible and Coinsurance Apply

Health Savings Account (can be used to pay for health expenses, or to save for the future)



You are responsible for health expenses if HSA funds have been used up or if you choose not to use them



Out-of-Pocket Limit: The most you will pay for health expenses during the year (whether using HSA funds or paying out-of-pocket)

Health Savings Account

- Funded with your and the college's contributions (pre-tax)
- Ability to adjust contributions during the year
- No limits apply to the growth of the account

100% coverage will apply for the remainder of the year if the out-of-pocket limit is met.