

HSA Frequently Asked Questions

Q: Can anyone open an HSA?

A: No. You have to be enrolled in a High-Deductible Health Plan. A High-Deductible Health Plan is defined as having a deductible of at least \$1,650 for Employee Only health coverage or at least \$3,300 for Family coverage.

Q: How much can I contribute each year?

A: IRS annual limits for 2025 are \$4,300 for Employee Only coverage, or \$8,550 for Family coverage. If aged 55 or older, you can also make “catch-up” contributions of up to \$1,000 per year above those limits.

Q: In what ways can I contribute?

A: You can make either pre-tax contributions, post-tax contributions, or a combination, as long as the combined total does not exceed IRS annual limits. Pre-tax contributions are made through payroll deduction. Post-tax contributions are made by depositing directly into to your HSA account. Post-tax contributions for a given year can be made up until the due date of your tax return for that year; for most people, 2024 post-tax contributions can continue to be made through April 15, 2025.

Q: How much can I spend each year?

A: The only spending limit is your HSA account balance. You can only withdraw up to the amount in your account at that point in time. Any unused funds roll over from year to year. You do not lose any funds if they are not used by the end of the year.

Q: What can I spend my HSA funds on?

A: You can use HSA funds for any expense accepted by the IRS as a legitimate medical expense, such as doctor visits, therapy, hospitalization, prescriptions, vision care, dental, etc. To be eligible, the expense must be incurred on or after the date the HSA account was opened. HSA funds can also be used for health insurance premiums such as COBRA and TEFRA.

Q: Can I spend HSA funds on family members who are not on my health plan?

A: If you have Employee Only coverage, and your spouse or dependents have separate health coverage that’s not a high-deductible plan, you can still use your HSA funds to pay their medical expenses as long as you file a Federal tax return that includes that person as a joint filer or dependent.

Q: How do I access my funds?

A: You will receive a Mastercard® Debit Card that is linked to your HSA account. This is a limited-purpose Mastercard which is coded for medical providers only. Swipe the card just as you would any credit card. Although you have the option of setting a PIN, no PIN is required.

The card lets you cover expenses without having to pay out of pocket first and then wait for reimbursement. If your medical provider does not accept credit cards or for whatever reason you did not use your Mastercard® Debit Card to pay the expense, then you can submit a claim for reimbursement.

Q: Do I have to keep up with receipts?

A: Your benefits administrator offers the patented ClaimsVault® – an “electronic shoebox”– to store receipts if you don’t want to have to keep up with them yourself. At this time, the IRS doesn’t require receipts for an HSA.

Q: I’m going to become eligible for Medicare later this year. Can I still have an HSA?

A: If any part of Medicare is elected, you cannot contribute any more money after your Medicare effective date. However, you can continue to use up any funds previously contributed.