

Frequently Asked Questions

Health Savings Account & Flexible Spending Account

Beginning September 1st, 2020, Cache County School District will no longer be offering High Deductible Health Plans (HDHP). In place, the District will be offering an innovative medical plan through Bind, allowing employees to pay for coverage when they need it. But what does this mean for your current HSA or FSA?

Since the Insurance is not a High Deductible Health Plan (HDHP), can I continue to have a Health Savings Account (HSA)?

Yes, you can maintain and use your HSA for qualified expenses, but can no longer contribute to it.

Is the money in my HSA mine?

Yes, the Account is yours to use for qualified medical expenses.

Can I still use Health Equity to administer my HSA?

Yes, you can maintain the account with Health Equity or the financial institution, (or where ever you have the HSA account today) If your HSA Account is with Health Equity, once they receive word from us that you are no longer eligible, your account will be changed to what is referred to as a Smart Saver. This is a basic plan in which the member is responsible for any administrative fees on the account. This is a basic plan in which the member is responsible for any administrative fees on the account. If your active HSA account has a balance of \$2,500 or more (not the investment account), there will be no monthly admin fee charged to your account. If the account balance is below that amount, then you will be charged \$3.95 per month on the account. After about 30 days, you will receive a "Loss of Sponsorship" email just letting you that you are responsible for your account going forward.

If I keep my account with Health Equity, how is my admin fee paid?

The system will automatically deduct that from your account, this happens at the first of the month.

Can I contribute the full amount for a single or family for 2020?

Your 2020 HSA contribution will need to be prorated as you won't be on a qualified high deductible health plan for the entire year. If you are on the HDHP plan for 8 months in 2020 (January 1 - August 31), the maximum amount that you can contribute into your HSA if you have family coverage in the calendar year 2020 is \$4,733.36. The maximum amount you can contribute into your HSA if you have single coverage is \$2366.72. If you are 55 or older you can add \$666.64 to that amount if you are on the plan for 8 months in 2020. (If you are on for less than 8 months the calculation will be different.) To determine your amount, take the annual maximum allowed (\$7100 or \$3550) and divide it by 12 and then multiply it by the number of months in the year you were on the HDHP.

What if I over contributed to my HSA, via payroll deduction? Money was withheld and contributed per my request, on a pre-tax basis.

The Form to correct the overcontribution is the **HSA Employer Contribution Correction Request Form**, (for Health Equity) this allows someone to correct amounts contributed in excess of your contribution limit for the year, correction **MUST** be done prior to tax day.

Is there a fee associated with the correction?

A \$20.00 processing fee applies and will be deducted from the amount returned to the employer (see form for additional detail).

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What if I have over contributed to my HSA, and the contribution was a post-tax contribution?

The **Distribution Excess Form**, (for Health Equity) allows you to correct amounts contributed in excess of your contribution limit for the year, correction should be done prior to tax day.

Is there a fee, associated with the mistaken contribution?

A \$20 processing fee may apply and will be reduced from the amount returned (see form for additional detail).

What if I need to pay money back to my HSA, funds were used and need to be returned to my HSA?

This can be done by completing the **Mistaken Distribution Form**, (for HealthEquity) you can correct mistaken distributions for the current year, up into tax day of the following year.

What if my spouse has a High Deductible Health Plan and an HSA, offered where they are employed?

Your spouse can continue coverage on the HDHP & HSA, remember your spouse cannot be double covered on your Bind plan, since it is a Traditional health plan. If your spouse has an HSA account they are contributing to, due to IRS rules, this disqualifies (within a marriage) from participating in the Health Flexible Spending Account (HFSA) offered with the District.

Can I enroll and use the (Health) Flexible Spending Account?

Yes, when you move to Bind, remember that you can elect the HFSA, these are pre-tax dollars. You can utilize that account going forward since you will no longer be HSA eligible, to pay for qualified medical expenses. The District offers an HFSA option, that you can set aside, up to \$2,750. The HFSA does allow \$500 to roll over from year to year, as long, as you enroll in the Account the next year. It is a use it or lose it account so it would be prudent to be conservative in the amount you elect to contribute. Qualified Expenses include copays, glasses, dental, medical and more.

What if I have the Limited HFSA, and have money in my account, If I enroll in the HFSA, can I roll the balance over to the HFSA?

Yes, NBS can roll the unused 2019-20 Limited HFSA funds, balance \$500 or less over to the 2020-21 plan year to the HFSA. The money will rollover after the 60 day claim run out period, or 10/30/2020.

Can I have a Limited FSA and a HFSA?

A Limited FSA is only compatible with a Health Savings Account, you can have both accounts at the same time. You cannot have a Limited FSA and a Health FSA at the same time.

If you have additional questions concerning your Health Savings Account or Flexible Spending Account, please contact Denise House, GBS Account Manager at denise.house@gbsbenefits.com or (801) 842-0130.