

# HSA contributions: how you earn and save

## Stanislaus County Employer HSA contributions

**Half deposited in January, other half in 12 semi-monthly deposits from July to December.**

***Federally Tax-free to employees***

Single coverage  
(Medical Plan Deductible \$1300)

\$1250

Family coverage  
(Medical Plan Deductible \$2600)

\$2100

## Employee contributions *Save and reduce taxes paid*

You decide this amount (up to IRS maximum)

Contribution amounts may be changed throughout the year

Contributions reduce federal income tax

When made through payroll, also reduce payroll taxes paid

Contributions do not reduce state income tax in California

# Potential tax savings by contribution amount

	Single Maximum	Family Maximum
Employee contribution	\$2,100.00 County contributes \$1,250 per year.	\$4,650.00 County contributes \$2,100 per year.
Federal tax savings (25% assumed)	\$525.00	\$1,162.50
Payroll tax savings (4.2% assumed)	\$88.20	\$195.30
<b>Total</b>	<b>\$613.20</b>	<b>\$1,357.80</b>

This example is for illustrative purposes only. Tax consequences may differ based on individual circumstances. This example assumes all HSA contributions are for qualified medical expenses.

Based on estimated federal tax savings of 25%. State taxes may vary. Please consult a tax advisor for personalized tax advice.

# HSA's can be used for medical expenses this year tax-free

Expenses can be for you, a spouse, or tax dependents

- Expenses under your health plan:
  - Deductibles
  - Copayments or coinsurance (as applicable)
- Vision expenses
- Dental expenses
- Alternative therapies
- Long-term care premiums
- Medicare Premiums

A detailed list is available at <https://wellsfargo.com/hsatoolkit>

Taxes plus a 20% penalty paid when used for non-medical pre-65

# Paying for expenses at the doctor's office or hospital

Ensure provider has your up-to-date coverage information



Obtain care



Wait for explanation of benefits and provider invoice




Pay via telephone or return invoice with your HSA debit card

# Paying for expenses at the pharmacy

Ensure pharmacy has your up-to-date coverage information



Participating pharmacies calculate your responsibility real-time



Pay using your HSA debit card



Keep your receipt

# Frequently Asked Questions

*Q: Can my family and I be enrolled with another medical insurance plan and also be enrolled in the County's High Deductible Plan with the HSA account?*

A: If the employee has coverage in any other type of medical plan, they are not eligible for the County's High Deductible Health Plan (HDHP) with HSA. This includes Medicare, Medi-Cal and Veterans Insurance.

There are currently no exclusions for dependents having other medical plan coverage.

# Frequently Asked Questions

*Q: What happens to employees using a HDHP with chronic or catastrophic illnesses or a major accident?*

A: The traditional health coverage portion of the plan will begin once the annual deductible has been satisfied.

The Out-of-Pocket Maximum provides a “safety umbrella” from the costs associated with chronic or catastrophic illnesses.

# Frequently Asked Questions

*Q: What if I have expenses that exceed my HSA funds early in the year?*

A: Some medical providers will allow you to make payments for services that may exceed your available funds. However, if you are required to pay for any qualifying expenses with personal funds outside of your HSA, you may withdraw available funds from your HSA to reimburse yourself as those funds become available.



# Frequently Asked Questions

*Q: What is the most I will ever pay in a calendar year if I'm enrolled in the HDHP program?*

A: Your HDHP includes an annual out-of-pocket limit. Money you spend from your HSA, out-of-pocket expenses, and any coinsurance you pay, all count toward this annual limit.

## Out-of-Pocket Annual Limits

\$3,000 Individual\*

\$6,000 Family\*

\*Out-of-Pocket Limits are different for Anthem BlueCross Out-of-Network coverage.