



## The Benefits of Better Health

### 2014 HSA Frequently Asked Questions

#### HDHPs and HSAs

The GEHA Health Savings Advantage<sup>SM</sup> High Deductible Health Plan (HDHP) is a consumer-driven health plan designed to work with a health savings account (HSA). This type of health plan offers tax savings and the ability to grow a nest egg for future medical expenses and for retirement.

Out of your regular health plan premium, GEHA deposits a large percentage in your HSA each month . \$62.50 for a Self Only enrollment or \$125 for a Self and Family enrollment. You can also add your own funds to your HSA. Money left in your HSA at the end of the year rolls over and continues to grow.

As you need medical care during the year, you can use the money in your HSA to pay out-of-pocket expenses. After you have paid the plan deductible, traditional health insurance kicks in and GEHA Health Savings Advantage pays 75 percent of prescription costs and 95 percent of the cost for most other care when you see a network provider. If you see a non-network provider, GEHA Health Savings Advantage pays 75 percent. GEHA pays preventive care at 100 percent when you see a PPO provider.

To set up an HSA through GEHA, you must first enroll in the GEHA Health Savings Advantage HDHP. Then, to be eligible for an HSA, you must not be enrolled in Medicare (any part) or other health care coverage that is not a high-deductible health plan, and must not have received VA medical services within the last three months. If you do not qualify for an HSA, you will default to a health reimbursement arrangement, or HRA.

#### Getting Medical Care/Paying Claims

##### How do I use my HSA? How do I pay for services?

When you have qualified medical expenses not paid by GEHA, you can pay with funds in your HSA. You are not required to use your HSA funds and may allow the funds to accumulate in your account. To withdraw HSA funds to pay your provider, use a debit card, write a check, make a withdrawal request or transfer funds into your personal account online using free Internet banking (I-banking). Go to [Qualified Medical Expenses](#) to see a partial list of expenses that qualify for reimbursement from your HSA.

##### ▪ Preventive care

GEHA provides unlimited adult preventive care (paid at 100 percent, with no deductible) when you see a PPO doctor. Included are annual physicals, routine adult immunizations, mammograms and cancer screenings. Lab tests as part of your preventive care visit are also covered at 100 percent. GEHA covers well-child visits and immunizations (paid at 100 percent, with no deductible), regardless of provider. For details on covered preventive care, see your [GEHA High Deductible Health Plan Brochure](#).

##### ▪ Doctor or hospital

You do not have to pay at the time of service when you see a doctor or go to a hospital. Your provider submits your claim to GEHA and then GEHA applies network discounts to the bill. You will receive an explanation of benefits (EOB) form listing your patient responsibility. Pay that amount to the provider.

##### ▪ Prescriptions

When you fill prescriptions at a pharmacy, you will pay at the time of purchase. Show your GEHA ID card to get the GEHA negotiated discount, and then pay for the prescription with your HSA debit card, cash, personal check or HSA check. If you pay for the prescription out of personal funds, you may reimburse yourself from your HSA, but be sure to save receipts of all medical expenses reimbursed from the HSA.

##### ▪ Dental/Vision

Dental and vision services are not subject to the Health Savings Advantage plan deductible. Be sure to show your dental/vision ID card at the time of service to receive discounted services from participating Connection Dental or EyeMed vision care providers. Many providers will submit claims to GEHA, but if

yours does not, please submit an itemized statement from your provider to the address shown on your dental/vision ID card. You will receive an explanation of benefits (EOB) from GEHA or EyeMed. Pay the remaining balance to the provider.

### **GEHA Contributions to Your HSA**

#### **How much will GEHA contribute to my HSA?**

Once your account is set up, GEHA will deposit a portion of your regular health plan premiums for the month into your HSA. In 2014, GEHA will deposit:

- \$62.50 per month (\$750 per year) for a Self Only enrollment or
- \$125 per month (\$1,500 per year) for a Self and Family enrollment.

#### **When is the first deposit made?**

For active employees who enroll at Open Season and complete forms promptly, the first monthly contribution will be made February 15. Once your application has been processed, your account will be opened on the first of the following month. A contribution will be made on the 15th of the month after the HSA is effective.

#### **How do I find out my account balance? How can I verify GEHA contributions have been made?**

You will receive quarterly bank statements from HSA Bank. You may also enroll in free Internet Banking through the HSA Bank website. Internet banking allows you to check your account balance at any time. You can also use HSA Bank's toll-free bank line at (800) 565-3512.

### **Personal Voluntary Contributions to Your HSA**

#### **How do I make deposits to my account?**

If your HDHP coverage is effective after the first of the month, you may make direct voluntary contributions to your HSA the first day of the following month. You can mail deposits directly to HSA Bank or you set-up online contributions through HSA Bank's Internet Banking system. For information, see your new HSA Bank account welcome kit or go to the HSA Bank website, [www.hsabank.com](http://www.hsabank.com).

#### **Do I have to fund my account each year?**

No. You are not required to contribute to your account.

#### **How much can I contribute to my HSA?**

For 2014, the maximum contribution for an eligible individual with self-only coverage is \$3,300 and the maximum contribution for an eligible individual with family coverage is \$6,550. Individuals who are eligible individuals on the first day of the last month of the taxable year (December for most taxpayers) are allowed the full annual contribution (plus catch up contribution, if 55 or older by year end), regardless of the number of months the individual was an eligible individual in the year. For individuals who are no longer eligible individuals on that date, both the HSA contribution and catch up contribution apply pro rata based on the number of months of the year a taxpayer is an eligible individual.

Here are some examples of total contributions:

<b>Plan Enrollment</b>	<b>Statutory Contribution Limit**</b>	<b>GEHA Contribution for 2014</b>	<b>Under Age 55 – Max Voluntary Contribution</b>	<b>Over Age 55 – Max Voluntary Contribution with Catch-Up Contribution*</b>
Self Only	\$3,300	\$750	\$2,550	\$3,550
Self & Family	\$6,550	\$1,500	\$5,050	\$6,050

\*Catch-up contributions are allowed for those greater than 55 years of age (\$1,000 in 2014). If you turn 55 at any point during the year, you are eligible for that year.

\*\* You may contribute the full HSA contribution regardless of the month you become eligible. However, if you do not stay in the HSA-eligible plan for 12 months following the last month of the year you first become eligible for an HSA, contributions to your HSA may be included in income and subject to 20 percent additional tax.

## Managing Your Account

### Where do I send my claim forms for the HSA?

Health savings accounts do not have claim forms. However, with medical claims, wait until you receive the explanation of benefits (EOB) and reimburse the provider based on the balance noted under patient responsibility. This assures that the appropriate amounts will be attributed to your deductible and that you will receive the network discount. Be sure to receive the network discounts, whether you are receiving pharmacy, vision, medical or dental services.

### What happens to HSA funds I don't use each year? What if I change jobs or health plans?

The HSA account is yours and unused funds carry over to future years. If you change jobs or leave the GEHA health plan, you may keep your HSA with HSA Bank or transfer it to another institution.

### What if my medical expenses are more than my health savings account?

You will pay any difference between the balance in your HSA and the deductible. After the deductible is met, traditional PPO health coverage through GEHA's Health Savings Advantage HDHP will be applied according to the plan benefits.

### How do I find out how much of my deductible has been met?

Since health plan deductibles aren't a banking function, the bank statement will not tell you how much of your deductible has been met. You can find out how much of your deductible has been met by signing up for a GEHA Web Account at [geha.com](http://geha.com) and viewing your claims forms. You can also call Customer Service at (800) 821-6136.

### Who administers this HSA?

HSA Bank, a division of Webster Bank, N.A., is the trustee and has received an excellent rating by the Bauer Financial bank rating service. Although all new health savings accounts are FDIC-insured through Webster Bank, if you decide in the future to invest HSA funds under HSA Bank's brokerage option, those funds are not FDIC-insured.

### What fees will I pay for this account?

GEHA pays your account set-up fee, charges for your initial debit card(s) and bank administrative fees. Other charges are your responsibility and can include checks (\$7.95 for 50) and ATM withdrawals (\$2.00). There is **no charge** when using your debit card at the point of service with a signature (like a credit card) rather than a PIN. A list of fees can be found at [www.hsabank.com](http://www.hsabank.com). You will receive quarterly bank statements via mail and online statements are available through Internet Banking. There is a small charge for requesting mailed monthly bank statements.

## Tax Questions

### What is the tax treatment of an HSA?

An HSA is generally exempt from tax. Earnings on amounts in an HSA cannot be included in gross income while held in the HSA (i.e., inside buildup is not taxable). (Notice 2004-2, Q-A #20)

### What is the tax treatment of an eligible individual's HSA contributions?

Contributions made by an eligible individual to an HSA are deductible by the eligible individual in determining adjusted gross income (i.e., "above the line"). A member's voluntary contributions are deductible whether or not the eligible individual itemizes deductions. However, the individual cannot also deduct the contributions as medical expense deductions under section 213. (Notice 2004-2, Q-A #17)

### Are GEHA's contributions to my health savings account tax-deductible?

Pass-through contributions made by GEHA to your health savings account are not tax-deductible.

### What is the tax treatment of contributions made on behalf of an eligible individual?

Contributions made to an HSA by a family member on behalf of an eligible individual are deductible by the eligible individual in computing adjusted gross income. The contributions are deductible whether or not the eligible individual itemizes deductions. An individual who may be claimed as a dependent on

another person's tax return is not an eligible individual and may not deduct contributions to an HSA. (Notice 2004-2, Q-A #18)

### **What do I need to file my taxes?**

You must file IRS form 8889 to report contributions and distributions from your HSA. HSA Bank will send you IRS form 1099-SA, along with a year-end status report, for your use in completing IRS form 8889.

## **Questions from Seniors**

### **If I retire early, can I withdraw HSA funds for non-medical expenses?**

If you use your HSA for non-medical withdrawals prior to age 65, the amount will be included in your gross income and you will pay a 20 percent penalty.

### **What happens when I turn 65?**

After age 65, you can continue to use your HSA funds tax-free for eligible medical expenses. At this age, you also have the option to use funds in your HSA for any reason, *even for non-medical expenses*, though you will pay taxes on those withdrawals at your normal tax rate.

When you enroll in Medicare, you are no longer eligible for an HSA. You will automatically transition to a health reimbursement arrangement (HRA) the month prior to the month of your 65<sup>th</sup> birthday, unless you notify GEHA that you will not be enrolled in Medicare Part A, B or D.

### **If I'm still working and turn age 65 and qualify for Medicare, but do not elect to take it, will GEHA keep making deposits for me until Medicare is primary?**

Yes. You are eligible for an HSA after age 65 until you are enrolled in Medicare Part A, B, C or D (prescription drug program).

### **What if my spouse is on Medicare and his or her expenses aren't subject to the higher deductible?**

Eligibility for an HSA is determined separately from what is eligible for reimbursement under an HSA. For this reason, a member enrolled in a Self Only HDHP can be reimbursed from his or her HSA for the qualified medical expenses of the account holder and the account holder's spouse and dependents, even if the spouse is on Medicare.

### **If I carry family coverage and a spouse or dependent is on Medicaid or Medicare due to disability or age, will that disqualify all of us so that we can't have the high-deductible health plan?**

Anyone is qualified for the high-deductible health plan. Eligibility for the HSA is determined by the individual opening the account. A spouse or dependent on Medicare or Medicaid will not make the plan holder/employee ineligible for an HSA.

### **My husband has Medicare and purchased a Part D prescription plan. I'm enrolled in the Self Only HDHP. Can I be reimbursed for his prescriptions, copays and Part D premiums from my HSA?**

Yes. You can use your HSA for qualified medical expenses for yourself, your spouse and/or your dependents.

## **For More Information**

### **Questions about your health plan**

- Call GEHA at (800) 821-6136.  
When calling from outside the United States, call the [AT&T USADirect](https://www.att.com)<sup>®</sup> access number for the country from which you are calling. Then, enter the GEHA toll-free number: (877) 320-9469. *Do not dial a "1" before the 877.*
- Visit [geha.com/HDHP](https://geha.com/HDHP).
- Email GEHA Customer Service at [cs.geha@geha.com](mailto:cs.geha@geha.com).

### **Questions about your health savings account (HSA)**

- Call HSA Bank at (866) 471-5964 (toll-free).  
From outside the United States, call (920) 803-4100, ext. 34101.
- Visit the HSA Bank website, [www.hsabank.com](https://www.hsabank.com).