



Frequently Asked Questions for HSAs (Health Savings Accounts)

HOW A HEALTH SAVINGS ACCOUNT (HSA) WORKS

Q: What is an HSA and how does it work?

A: If you elect the PPO Plus HSA Plan (new for 2015), the Health Savings Account is an important piece of the plan because it allows you to pay for eligible medical, dental, and vision expenses on a pre-tax basis. In addition, for 2015, the College is providing a contribution to your HSA when you elect the PPO Plus HSA Plan.

Q: How much is the College contributing toward the HSA?

A: For 2015, the College is contributing half of your deductible amount: \$750 if you elect individual coverage and \$1,500 if you elect family coverage. This money is yours to use during 2015 – or to keep in your account for the future.

Q: Can I contribute to the HSA and use the funds to pay for my PPO Plus HSA Plan deductible and/or other health care expenses?

A: Yes. Any contributions you make are deducted from your paycheck on a pre-tax basis and deposited into your account. Your account balance (including the 2015 College contribution) can be used for any eligible health care expenses.

Q: What health care expenses can be paid through the HSA?

A: You may pay any current – or future – medical, dental or vision expenses through the HSA. Also, any unused HSA balance carries forward into future years – even if you leave Wellesley College or retire. There is no “use it or lose it” provision as there is under a Flexible Spending Account. However, special rules apply if you also contribute to a Health Care Flexible Spending Account (see the “Participating in an HSA and an FSA” section below).

Q: How much can be contributed to the HSA?

A: In 2015, the annual HSA maximum is \$3,350 for individual coverage or \$6,650 for family coverage – including the Wellesley contribution. You may contribute an additional \$1,000 if you are age 55 or older at the end of 2015.

Q: When and how do I make my election if I want to contribute to the HSA?

A: You may elect a contribution amount as part of the Open Enrollment process. You can also elect, stop or change your contribution amount once per month. Changes made during the year will be effective as of the first of the month following the request. You may contact the Benefits Office to make a change or complete the enrollment/change forms on the HR/Benefits website (under “Forms”).

Q: Am I eligible for the PPO Plus HSA Plan, including the Health Savings Account, if I am covered under Medicare?

A: If you have signed up for Medicare, you are NOT eligible to contribute to an HSA and so could not elect the PPO Plus HSA Plan. If you are considering signing up for Medicare, you may want to contact the Benefits Office for more information about the College medical options before you sign up for Medicare.

Q: What information will I receive if I enroll in an HSA?

A: Our HSA provider, WageWorks, will send you the following information when you enroll:

- **An enrollment confirmation email** welcoming you to the HSA and providing login information (sent a few days after you enroll)
- **An HSA Quick Start Guide via mail** with helpful information about your HSA (mailed about two weeks after you enroll) and
- **A WageWorks Debit Card in a separate mailing** to use for HSA expenses.

Q: Where can I get more information about the HSA (before I enroll or once I have an account)?

A: You may always contact the WageWorks Customer Service line at 1-877-924-3967 from 7:00 a.m. to 7:00 p.m. Monday through Friday. You will be asked to provide the last four digits of your Social Security number or your Employee ID but you can still speak to a representative if you do not have this information. Once you have an account, you can also log into www.wageworks.com (make sure to log in as an “Employee”) to manage your notifications, see your account balance and get reimbursed from your account.

ACCESSING MY HSA ACCOUNT

Q: How do I access my HSA funds?

A: Once you have eligible health care expenses, there are several ways to pay for the expense. You may access your HSA funds with the WageWorks debit card or through the following apps and features:

- EZ Receipts mobile app
- Pay My Provider via **www.WageWorks.com**
- Pay Me Back (to request reimbursement) or
- Pay Me (to request a check or direct deposit).

Q: Do I need to submit bills and receipts to verify my HSA expenses?

A: No. For the HSA, you do not need to submit documentation to WageWorks as the IRS currently does not require verification of bills and/or receipts for HSAs. (You should, of course, maintain your own records for future reference.) The IRS will impose an additional 20% tax on any part of the distributions that are not used for qualified medical expenses.

Q: How will I receive statements for my HSA?

A: The WageWorks HSA default is for paper statements to be mailed. If you don't change this option, a monthly fee of 75 cents will be deducted from your HSA. However, if you switch to electronic delivery (by going onto www.WageWorks.com, logging into your account and selecting edelivery), there is no fee.

Q: Are there any other fees to participate in the HSA?

A: There are no other fees while you are an employee at the College.

PARTICIPATING IN AN HSA AND AN FSA

Q: Can I participate in a Health Care FSA and an HSA at the same time?

A: You may participate in an HSA and a *Limited Purpose* Flexible Spending Account.

Q: Why would someone have both an HSA *and* a Limited Purpose FSA?

A: You may save more on taxes by contributing to both accounts and each type of account offers somewhat different features. In 2015, the annual HSA maximum for a family plan is \$6,650 (\$3,350 for an individual plan).

The maximum for a Limited Purpose FSA is \$2,550 which can be used for dental and/or vision expenses, as well as for medical expenses **after** your PPO Plus HSA Plan deductible has been met.

If you participate in the Limited Purpose FSA, your full contribution amount is deposited into your account in January. With the HSA, the College contribution is available in January, but your own contributions are only available as they are withheld from your paychecks throughout the year.

Q: If I choose to also enroll in a Limited Purpose FSA, will the HSA and the Limited Purpose FSA be on the same card?

A: Yes. If you participate in both, the HSA and Limited Purpose FSA will be on the same card. If funds are available in both account types, money will be pulled from your Limited Purpose FSA first for eligible expenses.

Q: Do I need to submit bills and receipts to verify expenses for my Limited Purpose FSA (if I choose to have one in addition to my HSA)?

A: Yes. Per the IRS, all FSA transactions require submission of bills and/or receipts. Receipts will not be needed if a card transaction meets the following criteria:

- Match to a Recurring Transaction (You previously submitted a receipt for the same dollar value at the same merchant and it was approved)
- Health Plan Copayment Amount (The amount matches to your plan's copayment amount) or
- IRS-approved Inventory System (Prescriptions and FSA-eligible OTC items are confirmed eligible at the point of sale).

INVESTING MY HSA ACCOUNT

Q: May I invest the money in my HSA and receive investment earnings?

A: Yes. Once your HSA account balance reaches \$1,000, you may choose to invest in one or more investment funds. You have a choice of funds through BNY Mellon.

Q: Is there a minimum amount for each fund that I invest in?

A: No. The only minimum you need to be aware of is the \$1,000 amount noted above.

Q: Will I be taxed on my investment earnings?

A: No. You do not pay taxes on your investment earnings. You will, however, pay taxes – and a 20% penalty – if you use your HSA funds for ineligible expenses.

SPECIAL SITUATIONS

Q: What happens to my HSA balance if I terminate my employment with the College?

A: Your HSA balance is still available to pay for eligible health care expenses if you terminate your employment or retire from the College. You may also continue to use all of the WageWorks features (e.g., Customer Service via phone, access to your account through www.wageworks.com). The only differences are:

- You will be responsible for the monthly account maintenance fee of \$3.95 (deducted directly from your HSA account balance).
- The College will not make any additional deposits to your account. You may still make contributions to your account on an after-tax basis if you are enrolled in a “high deductible medical plan.”

What happens to my HSA balance if I should die?

A: Your beneficiary would be able to continue to use your HSA balance for eligible health care expenses.

THINKING AHEAD TO NEXT YEAR

Q: If I make an election during Open Enrollment for 2015, will my HSA contribution election automatically renew for 2016, or must I make a new HSA election every year? What about for the Limited Purpose FSA?

A: You do not need to re-enroll in the HSA each year. In fact, you may start, stop, or change your contribution amount during the year. You DO need to re-enroll in the Limited Purpose FSA each year, however. FSA participation and contributions do not continue from year to year.

Q: If I currently have a Health Care Flexible Spending Account and do not use my balance by December 31, 2014, can I contribute this amount to the HSA for 2015?

A: No. The Flexible Spending Account has a “use it or lose it” rule. If you do not use your contributions for 2014 expenses, you will lose them.

Q: If I choose to make a contribution to my HSA in 2015, can I claim or withdraw those funds in 2016 or later?

A: Yes. Once funds are in your HSA, you are allowed to withdraw those funds at any time, as long as the funds are used to pay for an eligible health care (medical, dental or vision) expense. You have access to your HSA funds even if you leave Wellesley College or retire.