

# Why Consider an HSA for your Employees?



Employer contributions, pre-tax employee salary reduction contributions, and tax-deductible contributions are all permissible



Expenses are self-substantiated by the participant



Family members, employers, and any other third parties may contribute to an HSA on behalf of the eligible individual



The required tandem high-deductible health plan (HDHP) is a mainstream design



Account portability for participants: Monies can be transferred to another HSA at any time without limitation



No "Use-It-or-Lose-It" rule - participants may accumulate funds and self-direct investments in a tax-exempt trust or custodial account

## Who is eligible?

For any month, the individual must:

- Only be covered by a high-deductible health plan ("HDHP")
- Not also be covered by any other health plan that is not an HDHP
- Not be enrolled in benefits under Medicare
- Not be claimed as a dependent on another person's tax return

## More about HSAs

- HSAs are generally exempt from ERISA reporting and documentation
- HSAs are not subject to COBRA coverage
- HIPAA does not apply to employer-funded self-administered HSA or to HSAs receiving no employer contributions (would apply to HDHP component and HSAs that are not self-administered)

