

# Health Savings Account and Flexible Spending Account Frequently Asked Questions

Frequently Asked Questions	Health Savings Account (HSA)	Limited Purpose Flexible Spending Account (FSA)	Medical Flexible Spending Account (FSA)
Who is eligible to participate?	Employees enrolled in the HDHP Plan that have no other coverage to reimburse expenses applied to the deductible.	Employees and eligible dependents enrolled in the Savings Plan that have no other coverage to reimburse expenses applied to the deductible.	Employees and dependents eligible for participation in a medical plan.
Does Portage County contribute to my account?	Yes, Portage County contributes \$500 for Single HDHP Plan or \$1000 for Family HDHP Plan.	No	No
Can I contribute to my account?	Yes, up to 2020 IRS annual limits of \$3,550 single/\$7,100 family plan inclusive of the County contribution.	Yes, up to 2020 IRS/Portage County annual limits of \$2,750.	Yes, up to 2020 IRS/Portage County annual limits of \$2,750.
Can I change or stop my contributions during the plan year?	Yes	Yes, but only if you have a family status change consistent with the change requested in your contributions.	Yes, but only if you have a family status change consistent with the change requested in your contributions.
Can I have more than one of these accounts?	Yes, you can have a Limited Purpose FSA.	Yes, you can have a Health Savings Account (HSA).	No
What kinds of expenses are eligible for reimbursement?	Any qualified medical expense under IRS Code §213(d).	Out of Pocket Dental and Vision expenses under IRS Code §213(d).	Any qualified medical expense under IRS Code §213(d).
Must claims be incurred during the current calendar year to be reimbursable?	No, but must be incurred after covered under a High Deductible Health Plan.	Yes	Yes
Do unused funds rollover at the end of the year?	Yes	Yes, \$500 can be rolled over 1 year.	Yes, \$500 can be rolled over 1 year.
What happens to my account balance if I change from one plan to the other during open enrollment?	You keep the balance in your HSA and start over in the PPO Plan.	FSA funds are set aside each calendar year, excess beyond the roll over is forfeited.	FSA funds are set aside each calendar year, excess beyond the roll over is forfeited.
Can I invest and/or earn interest in my account?	Yes	No	No
When can I use the funds in my account?	Immediately, but only up to available balance.	Immediately at start of plan year, the full election amount.	Immediately at start of plan year, the full election amount.
Can I use the money for non-medical expenses?	Yes, but you have to pay taxes and a 20% penalty on the withdrawal if you are under 65 years of age. If you are over 65, you will have to pay taxes but no penalty on the withdrawal.	No	No
Can I take the balance of my account with me if I leave Portage County?	Yes	No	No



# Take charge of your health care

## Investors Health Savings Account

An **Investors HSA** works just like a regular checking account. You can either choose to write a check or obtain an HSA debit card to pay for qualified medical expenses. Statements can be viewed online, and you'll receive a year-end report for tax purposes. Your account features:

- No minimum balance
- Internet banking access
- Monthly e-statements
- Checks and/or debit card
- Year-end report
- Earn interest

### What is an HSA?

A Health Savings Account (HSA) in conjunction with a high-deductible health plan (HDHP) is a new way to lower your health care costs. It's a tax-advantaged account that can be used to pay for day-to-day eligible medical expenses. Your HSA is also an excellent way to save for retirement as the money in your account continues to grow tax-free, year after year.

### To be eligible:

HSA's require coverage under a HDHP. To qualify; your HDHP must meet the minimum annual deductible and maximum out-of-pocket expenses required. Please check with your health insurance provider to see if your health plan meets these requirements as well as the additional requirements listed below:

- You are not also covered by any other health plan that is not an HDHP
- You are not enrolled in Medicare or receiving VA benefits
- You cannot be claimed as a dependent on another individual's tax return

### HSA benefits:

#### Tax Savings

- Tax-deductible contributions
- Tax-deferred earnings
- Tax-free withdrawals when used for "qualified medical expenses"

#### Long-term savings – No "use it or lose it"

- Funds remain in the account from year to year
- Funds can be used on qualified medical expenses now or in the future
- No required minimum distributions

#### Stays with you – fully portable

- Travels with you, even as you change jobs
- Yours regardless of the insurance provider

#### Contribution

- If you meet the eligibility requirements; you, your employer, and any other person may contribute.

#### Earns interest

- The more your balance grows the more interest your money will earn

A complete list of eligible expenses is available at: [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf)



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