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# HEALTH SAVINGS ACCOUNT (HSA)

SISC provides qualified HSA compliant health plans. SISC does not set-up or administer the savings account component of the plan. Health Savings Accounts enable tax-free savings for the qualified medical expenses of “eligible individuals” and their dependents.

An “eligible individual” or HSA owner is an individual:

- Covered an HSA-compatible High Deductible Health Plan (HDHP); and
- Not covered by a non-HSA compliant plan or Medicare; and
- Not claimed as a dependent on another individual’s tax return

Qualified medical expenses are defined in Internal Revenue Code Section 213 [d]. In general they include specified deductibles, co-payments and other medical expenses not covered under the HDHP or in any other manner.

All HSA enrollees will be subject to the plan design and any mid-year changes based on Federal/Legislative guidelines.

## HSA Advantages

- HSA contributions are tax-deductible.
- Interest on an HSA is tax-deferred.
- HSAs are portable and owned by the individual; contributions cannot be taken away.
- Unspent balances roll over to the following year and can accumulate over a lifetime to help pay for uncovered Medicare expenses after retirement.
- In the event of the account holder’s death, HSA balances pass to their designated beneficiaries.

## Frequently Asked Questions

### **Q: Who can contribute to an HSA?**

A: The HSA is funded by contributions from an eligible employee, employer or both.

### **Q: What is the calendar year maximum amount that can be contributed to an HSA?**

A: \$3,550 per individual and \$7,100 per family (2020)

### **Q: How does the HSA plan work?**

A: Money in the HSA can be used to pay for covered medical expenses and prescriptions not paid by the qualified health plan. The HSA dollars used apply towards the plan’s annual deductible. If all of the dollars are not spent, the money remaining in the account will roll over to the following year.

### **Q: Who do I contact to set up an HSA (Health Savings Account)?**

A: Any bank, credit union or other entity that currently meets the IRS standards can be an HSA trustee or custodian. Districts and/or employees may choose a financial institution to administer the savings account.

For additional resources on HSA plans, visit <http://www.irs.gov>.

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