



# Health Savings Account (HSA) Guide

Limits • Eligibility • Tax Information



## Maximum Annual Contributions

Calendar Year	Single	Family	Age 55+ Catch-Up
2025	\$4,300	\$8,550	\$1,000
2026	\$4,400	\$8,750	\$1,000

♦ If you switch between **single** and **family** coverage during the year, your contribution limit is **pro-rated** by month.



## HSA Eligibility Rules

Remember: the **HDHP** (High Deductible Health Plan) and **HSA** (Health Savings Account) are separate. Eligibility applies to you as the account holder.

You are eligible if:

- Enrolled in a IRS qualified **HDHP**
- Not enrolled in **any part of Medicare**
- Not claimed as a dependent on someone else's tax return
- Not covered by other non-HDHP insurance, including:
  - VA (unless service-connected disability only)
  - Tri-Care
  - A spouse's non-HDHP employer plan
  - A spouse's HRA - including OPERS Retiree HRA
  - Medicaid or other governmental coverage
  - A general Medical FSA/125/Flex plan - including a spouse's FSA



- ✓ You may still have a **Limited FSA** (dental/vision only).
- ✓ Any FSA rollover must go to a Limited FSA.
- ✓ Grace periods must expire before opening an HSA.

👉 You may cover spouse/children under your HSA, even if they are on non-HDHP coverage.

📖 Reference: **IRS Publication 969**

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## HSA & Medicare

- If you are **eligible but decline Medicare** (Part A, B, etc.), you continue contributions.
  - If you **accept Part A** (often automatic at age 65), you become **ineligible** to contribute.
  - Signing up for **Social Security** automatically enrolls you in Part A, ending eligibility.
  - **Retroactive enrollment:** Medicare may backdate Part A up to 6 months.
    - Contributions after that backdate become taxable.
    - Your prorated maximum is based on the **Part A effective date**, not enrollment date.
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## Eligible Expenses

- See **IRS Publication 502** for full details.
  - HSA funds may pay for your **tax dependents'** expenses, even if they're not enrolled in your HDHP.
  - ⚠️ If a child is over 18 and not a tax dependent, you cannot use HSA funds for their care, even if they're covered by your HDHP.
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## Dual Coverage

- Dual coverage is allowed only if both plans are IRS-qualified **HDHPs**.
  - For two family HDHPs:
    - Combined contributions cannot exceed the **family maximum**.
    - Each spouse cannot contribute the full family maximum separately.
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## ❏ Employment Changes

- HSA eligibility ends when HDHP coverage ends.
  - Contribution maximum is **pro-rated** by months covered.
    - Example: Coverage ends Aug 31 → contribute **8/12ths** of annual limit.
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## Tax Filing

- File **Form 8889** with your IRS Form 1040 annually.
  - Your HSA bank will send:
    - **Form 1099 (January)**: total withdrawals.
    - **Form 5498 (after April 15)**: total deposits (including employer).
  - Form 8889 reports:
    - All contributions (pre-tax & post-tax).
    - All withdrawals (qualified & non-qualified).
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 ***Always consult your tax advisor for personalized guidance.***