



## Health Savings Account Payroll Deduction – 2021

Employees enrolled in one of the College's qualified high deductible (HSA) medical plans may contribute to a health savings account through payroll deduction. The chart below lists the contribution amounts you would contribute in addition to the College contribution (if applicable) to reach the IRS maximum for tax year 2021. However, you can specify any amount up to the maximum contribution limit listed below.

The HSA contribution is increased \$1,000 annually for an individual age 55 or older at the end of the tax year when enrolled in a high deductible plan. See [Enrolled in Medicare](#), for additional information.

Blue Access Choice (BAC) - BJC Network		
Contribution to H.S.A.	Individual – IRS Max Contribution - \$3,600	Family – IRS Max Contribution - \$7,200
ECC Contribution - Annual	\$ 2,396.88	\$ 0
Employee Contribution - Annual	\$ 1,203.12	\$ 7,200.00
Employee Per pay period (24)	\$ 50.13	\$ 300.00
Employee Per month	\$ 100.26	\$ 600.00
Blue Preferred Select (BPS) Non-BJC Network		
Contribution to H.S.A.	Individual – IRS Max Contribution - \$3,600	Family – IRS Max Contribution - \$7,200
ECC Contribution - Annual	\$ 2,819.28	\$ 0
Employee Contribution - Annual	\$ 780.72	\$ 7,200.00
Employee Per pay period (24)	\$ 32.53	\$ 300.00
Employee Per month	\$ 65.06	\$ 600.00
Age 55 or older additional \$1,000 Contribution		
Contribution to H.S.A.	Individual – Additional Contribution - \$1,000	Family – Additional Contribution - \$1,000
Employee - Annual	\$ 1,000	\$ 1,000
Employee Per pay period (24)	\$ 41.66	\$ 41.66
Employee Per month	\$ 83.32	\$ 83.32

Use to calculate total contribution. I qualify to contribute \$\_\_\_\_\_ per pay period to the health savings account. In addition, I qualify for the 55 or older additional contribution and elect to contribute \$\_\_\_\_\_ per pay period. **Enter this information into the online enrollment HSA screen.**

## Health Savings Account Frequently Asked Questions

### How do I open a health savings account?

You will need to open up a health savings account in your name and you can select from one of the banks that the College has set up direct deposit. You will inform the bank that you have a qualified high deductible insurance plan. The College has approved the following banks for Health Savings Accounts: Bank of Franklin County, Bank of Sullivan, Bank of Washington, Citizens Bank, First State Community Bank, Legends Bank, Town & Country Bank, and United Bank of Union.

**When does the College contribute to my HSA?**

Contributions to your HSA will be at the end of the month following the month the employee is eligible for the HSA plan.

**What are the benefits of an HSA?**

You may enjoy several benefits from having an HSA.

- HSA contributions are pretax.
- The contributions remain in your account until you use them.
- The interest or other earnings on the assets in the account are tax free.
- Distributions may be tax free if you pay for qualified medical expenses.
- An HSA is “portable.” It stays with you if you change employers or leave the work force.

**What are qualified medical expenses?**

Qualified medical expenses are those expenses that generally would qualify for the medical and dental expenses deduction.

**Who/When can I incur qualified medical expenses?**

Qualified medical expenses are those incurred by the following persons.

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
  - a. The person filed a joint return;
  - b. The person had gross income of \$4,200 or more; or
  - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else’s return.

**What medicines are qualified medical expenses?**

Non-prescription medicines (other than insulin) are not qualified medical expenses for HSA purposes. A medicine or drug will be a qualified medical expense for HSA purposes only if the medicine or drug: requires a prescription, is available without a prescription (an over-the-counter medicine or drug) and you get a prescription for it, or is insulin.

**What are Recordkeeping requirements?**

You must keep records sufficient to show that:

- The distributions were exclusively to pay or reimburse qualified medical expenses,
- The qualified medical expenses hadn’t been previously paid or reimbursed from another source, and
- The medical expenses had not been taken as an itemized deduction in any year. Keep them with your tax records.

**Are Insurance premiums qualified medical expenses?**

You cannot treat insurance premiums as qualified medical expenses unless the premiums are for any of the following:

- Long-term care insurance.
- Health care continuation coverage (such as coverage under COBRA).
- Health care coverage while receiving unemployment compensation under federal or state law.
- Medicare and other health care coverage if you were 65 or older (other than premiums for a Medicare supplemental policy, such as Medigap).