

Health Savings Account Frequently Asked Questions

Health Savings Account (HSA)

What is an HSA?

An HSA is a personal bank account created exclusively for individuals to pay for eligible health expenses and save for future healthcare expenses tax free.

Am I eligible to contribute to a State of Florida HSA through payroll?

If all of the following statements are true for you (not requirements for your spouse), you are eligible to enroll in an HSA Advantage™ account:

- I am not participating in another health plan (spousal plan, individual policy) that is not an eligible high deductible health plan (HDHP).
- My spouse is not enrolled in a healthcare plan (includes any health reimbursement arrangement offered by an employer) that provides me with benefits before I have met the IRS minimum deductible for the year.
- There is a \$0 balance in both my and/or my spouse's full healthcare flexible spending account (FSA) during a grace period. The plan year for the account(s) is over, and there is a \$0 balance to carry over to next year or the balance will be carried over into a limited purpose FSA.
- My health plan does not provide services that require a co-pay before I reach my healthcare plan deductible amount.
- I do not receive Medicare benefits of any kind.
- I have not received healthcare benefits (other than dental, vision, preventive or for a service-connected disability) from Veterans Affairs (TRICARE) within the last three months (including prescriptions).
- I am not a dependent on someone else's tax return.

Can I have a healthcare FSA and an HSA?

No. If you are participating in your own or your spouse's healthcare FSA, you cannot open or contribute to an HSA. You may have a dependent care FSA and an HSA and you may have a limited purpose FSA for dental and optical expenses only.

Note: If you have previously opened an HSA and have decided to go back to a healthcare FSA, although you are not allowed to contribute to the HSA, you may continue to use the funds for eligible expenses.

I have an FSA. When can I open an HSA?

This depends on what type of FSA you have. Here is how each type of FSA affects your HSA:

- If you have a dependent care FSA, you may open an HSA at any time. You may continue to use the dependent care FSA and the HSA together.
- If you have a healthcare FSA, your plan year will end on December 31, so you will be able to open an HSA on January 1. If you have any money left in your healthcare FSA from the previous year, up to \$640 will be carried over into a limited purpose FSA for the new plan year. You may continue to use the limited purpose FSA and the HSA together.
- If you already have a limited purpose FSA, you may open an HSA at any time. You may continue to use the limited purpose FSA and the HSA together.



855.824.9284

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Can I use the money in my HSA to pay for medical care for a family member?

Yes. You may withdraw funds to pay for qualified medical expenses for yourself, your spouse or a qualified dependent without tax penalty.

Can I pay my health insurance premiums with an HSA?

You can use your HSA to pay health insurance premiums only if:

- You are collecting federal or state unemployment benefits.
- You have COBRA continuation coverage through a former employer.
- You are enrolled in Medicare.

How much can I contribute to my HSA?

Maximum annual contributions (deposits into your account) to your HSA are determined by the IRS each year. For 2023, the limit for someone insured under a single plan is \$3,850 and the family limit is \$7,750. For 2024, the limit for someone insured under a single plan is \$4,150 and the family limit is \$8,300. Keep in mind all tax dependents and spouses can use HSA dollars whether it's a single or family plan.

Individuals who will be at least 55 years of age by the end of a tax year may also make catch-up contributions of \$1,000 above the maximum. The limits include all contributions being made to your account, whether by you, your employer or someone else.

What is an eligible expense?

Eligible expenses are defined by the IRS. The overall guiding rule for medical expenses is that the expense has to be for medically necessary purposes only. Cosmetic or optional expenses are not eligible. You may also use your HSA to pay long-term care premiums, COBRA premiums, retiree medical premiums and Medicare premiums (but not for Medigap plans).

Using funds from your HSA for non-eligible medical expenses can result in IRS penalties. It is your responsibility to determine whether an expense is eligible. Chard Snyder's website, mobile app and customer service department can help you.

Use the Eligible Expense Scanner feature in the Chard Snyder mobile app to check items for eligibility.

To access the complete and up-to-date list of eligible items online, log in to People First; click the *Chard Snyder* quick link; navigate to the Tools & Support tab; and click Eligible Expenses List.

Who decides if my expenses are “qualified medical expenses”?

You are responsible for that determination and should, therefore, familiarize yourself with what types of medical expenses are considered to be qualified (as partially defined in IRS Publication 502). If you have specific questions about what expenses are allowed, call Chard Snyder's customer service department at 855.824.9284. How you use your HSA is solely between you and the IRS. You will want to save all receipts, invoices and statements that support withdrawals out of your HSA in case the IRS audits you.

When I make a withdrawal from my HSA to pay for an eligible medical expense, do I have to pay taxes on the withdrawn amount?

No. As long as you use your HSA account only for eligible medical expenses, you will never have to pay taxes on the money.

I have an HSA but no longer have HDHP coverage. Can I still use the money that is already in the HSA for medical expenses tax free?

Once funds are deposited into the HSA, the account can be used to pay for qualified medical expenses tax free, even if you no longer have HDHP coverage. The funds in your account roll over automatically each year and remain indefinitely until used. There is no time limit on using the funds.

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What if I use my HSA for purchases that are not eligible medical expenses?

If you use your HSA for an expense other than eligible medical expenses, you may subject yourself to significant IRS penalties. Inappropriate use of your HSA funds may also leave you without money to pay for your eligible medical expenses in the future. We advise saving your HSA money as much as possible the first year so that you can easily meet your deductible should you incur major medical expenses at a later time.

If you made an error and used money for an ineligible expense, you may attach that money to eligible expense receipts until the ineligible amount has been truly used by eligible expenses.

At age 65, your HSA dollars may be spent on anything without penalty, but you will be required to pay income tax on ineligible purchases. Eligible purchases will continue to be tax free as usual.

What happens when my employment is terminated or I resign?

The HSA is yours and will stay with you even after you have left your current employer. Once funds are deposited into the HSA, the account can be used to pay for qualified medical expenses tax free, even if you no longer have HDHP coverage. The funds in your account roll over automatically each year and remain indefinitely until used. There is no time limit on using the funds.

Your HSA Advantage account is currently being sponsored by the State of Florida. A few weeks after Chard Snyder is notified that you are no longer working for the State of Florida, we will send you a letter which details how your account will be converted to an individual account. When your account is converted, you will receive new Chard Snyder Benefit Cards.

What happens to the money in my HSA after I turn 65?

You can continue to use your account tax free for out-of-pocket health expenses. When you enroll in Medicare, you can use your account to pay Medicare premiums, deductibles, copays and coinsurance under any part of Medicare. If you have retiree health benefits through your former employer, you can also use your account to pay for your share of retiree medical insurance premiums. The one expense you cannot use your account for is to purchase a Medicare supplemental insurance or “Medigap” policy.

Once you turn 65, you can also use your account to pay for things other than health expenses. If used for other expenses, the amount withdrawn will be taxable as income but will not be subject to any other penalties. Individuals under age 65 who use their accounts for non-medical expenses must pay income tax and a 20 percent penalty on the non-qualified withdrawal.

Can I use my HSA to pay for medical expenses incurred before I set up my account?

No. You cannot reimburse qualified medical expenses incurred before your account was established.

Can couples establish a joint account and both make contributions to the account, including catch-up contributions?

A joint HSA is not permitted. Each spouse should consider establishing an account in his or her own name, allowing both to make catch-up contributions when each spouse is 55 or older.

Can couples open separate accounts?

If both husband and wife are eligible to contribute to an HSA, they are both eligible to establish separate HSAs. In fact, if both spouses want to make catch-up contributions when they are age 55+, they must establish separate accounts.

If my spouse and I are both 55 or older, can we both make catch-up contributions?

Yes. You can make catch-up contributions if you are both eligible individuals and each have established an HSA in your own name. If only one of you has an HSA, only that spouse can make a catch-up contribution.

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When will I receive my new Chard Snyder Benefit Card?

Your Chard Snyder Benefit Card(s) will be mailed to the address on file with People First within 7-14 business days after your account has been set up.

Do I receive a monthly account statement?

Yes. Your account statement is generated each month and is available when you log in to your account. If you have an email address on file, you will receive an email notification letting you know that your new statement is ready. If you don't have an email address on file, a paper statement will be mailed to you. You can also check your account balance at any time through the Chard Snyder mobile app, your Chard Snyder online account or call Chard Snyder customer service at **855.824.9284**.

To add or update your email address, use the People First website. Profile updates made there will be shared with our system.

What do I need to do to open my new HSA Advantage account?

You need to enroll in a HDHP and HSA in People First. Once your enrollment is complete and you accept the Terms and Conditions, your new HSA Advantage account will be automatically opened for you. If additional information is needed during this process, Chard Snyder will contact you.

How long will it take for deposits to become available in my HSA Advantage account?

Chard Snyder receives contribution amounts the Monday following your payroll date. Contributions are then deposited and are available within two business days. You may then use the account for eligible expenses incurred any time after your account opening date.

How do I access my account online?

Use the Chard Snyder Information Portal to check your account balance or make a distribution.

Here's how to get in:

1. Log in to PeopleFirst.MyFlorida.com.
2. Click on the *Chard Snyder* quick link.

How can I check my account balance?

You can check your account balance by:

- Referring to your monthly statement.
- Viewing your account using the Chard Snyder mobile app.
- Accessing your Chard Snyder online account through the *Chard Snyder* quick link on the People First website.
- Calling Chard Snyder at **855.824.9284** Monday through Friday, 8 am through 8 pm ET.

Does HSA Advantage have investment options?

Your HSA Advantage account offers the option of self-directed mutual fund investments. You decide how much money you want to keep readily available in your interest-bearing account and set a threshold for that amount. Any money you contribute over the threshold will sweep into the investments of your choice in \$100 increments. If your interest-bearing account falls more than \$100 below your threshold, HSA Advantage will sweep funds out of your investment account back into your interest-bearing account.

Initially, the threshold is set at \$1,000. You may set the threshold higher and choose specific investments in the *Chard Snyder* Portal, accessed through the People First website.

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What is the best way to pay for prescriptions and medical visits?

First, remember that you must always show your insurance card for purchases so that the discounted carrier rate is applied and the expense is credited toward your deductible by your insurance company. The discounted rate for prescriptions is provided at the cash register, so use your Benefit Card for maximum convenience.

Does my HSA have to have money in it before I use it to pay a provider?

Yes. This is a personal bank account in your name. Your card is a debit card, not a credit card. Like a checking account, the funds must be in your account before you can pay for an expense.

What if funds are not available in my HSA when I incur an eligible medical expense?

If you do not have enough money in your HSA to pay for an eligible medical expense, you will need to pay for the expense by some other means. Once the money is in your HSA, you can withdraw the amount that you paid and reimburse yourself.

Providers are often willing to implement a payment plan that coincides with your scheduled HSA deposits. You can reimburse yourself any time during your lifetime as long as you have a receipt for the purchase.

What happens to the balance in my HSA at the end of the year?

Unused contributions in your HSA will accumulate year after year tax free until you need them.

Do I need to re-enroll each year?

No. Your election will roll over to the next plan year provided that you do not make any changes.

How do I make new deposits in to my HSA?

Deposits are made through payroll deductions.

HSA deposits can also be made through the Chard Snyder online portal or mobile app. Select *Make HSA Transaction* under the *I Want to Section* to get started.

What tax forms will I receive with my HSA?

You will receive two tax forms on an annual basis. The 1099-SA will provide you with a summary of the distributions (withdrawals) from your HSA and the 5498-HS will provide you with a summary of the contributions (deposits) that have been made. The 5498 does not come out until the spring after the year for which you have filed taxes but serves as a check-and-balance item. If the form does not reconcile, you can submit correctional paperwork to the IRS.

All HSA account holders need to complete Form 8889-SA with their taxes. You can get this form from the IRS website (www.IRS.gov) or from your tax consultant. To fill this form out accurately, you will need your W-2 1099-SA, and the following spring you will receive a verifying 5498-HS from your bank.

Does Chard Snyder offer customer service via instant chat?

Yes. Live Chat is available Monday through Friday, 8 am through 5 pm ET.

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Does Chard Snyder offer a mobile app?

Yes! Our mobile app offers an additional way to manage your plan. It's free from your app store. Use your smartphone or tablet to do the following:

- Scan eligible items with the Expense Scanner.
- Check your balance for any plan.
- Review transaction details.
- Pay your service provider.
- Submit claims for your FSA or reimburse yourself from your HSA.
- See the status of claims.
- Submit receipts.

How do I log in to the mobile app?

To use the Chard Snyder Mobile app from your smartphone or tablet, do the following: **(update here)**

1. Download the Chard Snyder Mobile app from your app store.
2. Click the icon for the app.
3. Enter your username. It will be your People First ID number.
4. Enter your password. This will default as "Pf" and your date of birth in the following format: PfMMDDYY.
5. Access your account using Face ID, Touch ID, or by entering your username and password each time you log in through your mobile device.

Whom do I contact for more information?

If you require any assistance with HSA Advantage, please contact us.

Phone: 855.824.9284 Customer service representatives are available 8 am through 8 pm ET, Monday through Friday.

Email: FloridaAskPenny@chard-snyder.com

For security reasons, please do not send claims or personal information through email.

Chat: Customer service representatives are available to chat 8 am through 5 pm ET, Monday through Friday. Log in to People First, click the *Chard Snyder* quick link; navigate to the Tools & Support tab; and click on 'Chat with us' link under Quick Links.

