

# The benefits of a Health Savings Account (HSA)

Available only for SISC members enrolling in an Anthem Blue Cross HSA Compatible Plan

An HSA offers tax-free savings for the qualified medical expenses of “eligible individuals” and their dependents. An “eligible individual” or HSA owner is someone covered under an HSA-compatible, High-Deductible Health Plan (HDHP) and is not covered under a non-HDHP or Medicare plan and not claimed as a dependent on another’s tax return. To see a list of qualified medical expenses go to [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502).

## HSA advantages:

- HSA contributions are tax-deductible.
- Interest on an HSA is tax-deferred.
- HSAs are portable and owned by the individual, meaning, you can take any money left in the account with you if you leave your employer (SISC) and continue to use them.
- HSA holders 55 and older can save an extra \$1,000, which means \$4,500 for an individual and \$8,000 for a family for 2019.
- Unspent balances from one year 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 HSA holder’s death, HSA balances pass on free of tax to their spouse, if the spouse is the named beneficiary.

## How you can find out more

To learn more about your health benefits, as well as our programs and services, go to [anthem.com/ca/sisc](http://anthem.com/ca/sisc).



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## Frequently asked questions

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

**A:** The HSA is funded by contributions from the employee, employer or both.

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

**A:** \$3,500 for an individual and \$7,000 for a family for 2019.

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

**A:** Money in the HSA can be used to pay for covered qualified medical expenses and prescriptions not paid by the HDHP. The HSA dollars used apply toward 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: Can I enroll in an HSA if I currently have a general purpose medical FSA?**

**A:** If you or your spouse participates in a general purpose FSA, you would not be eligible for an HSA. According to the IRS, a general purpose FSA is considered “other insurance.” You may be eligible for an HSA the following year, assuming you or your spouse are no longer participating in a general purpose FSA.

**Q: Who do I contact to set up an HSA?**

**A:** SISC doesn’t handle HSAs so if you’d like to set one up, contact any insured bank, credit union or other entity that meets the IRS standards for being a trustee or custodian for an IRA or Archer Medical Savings Accounts (MSA).

**Q: Are there any minimum yearly deductibles required by law?**

**A:** Yes. Minimum yearly deductibles required by law are \$1,350 for individual coverage and \$2,700 for family coverage.

**Q: Are there yearly out-of-pocket expense limits?**

**A:** Yes. Yearly out-of-pocket expenses (deductibles, copays and other amounts, but not premiums) cannot exceed \$6,750 for individual coverage and \$13,500 for family coverage.



# HSA Matrix of Eligibility and Contributions

How eligibility and contributions limits are determined for married individuals.

This Matrix assumes that all other HSA eligibility requirements have been established and neither spouse has any other accident and health type coverage.

	Husband: No coverage of any kind	Husband: Self-only non-HDHP coverage	Husband: Self-only HDHP coverage	Husband: Family non-HDHP coverage	Husband: Family HDHP coverage
Wife: No coverage of any kind	No HSA.	No HSA.	Husband is an eligible individual and may establish an HSA. The maximum contribution is the self-only contribution amount. Wife may not establish an HSA.	No HSA.	Husband is an eligible individual and may establish an HSA. The maximum contribution is the family contribution amount. Wife may not establish an HSA.
Wife: Self-only non-HDHP coverage	No HSA.	No HSA.	Husband is an eligible individual and may establish an HSA. The maximum contribution is the self-only contribution amount. Wife may not establish an HSA.	No HSA.	Husband is an eligible individual and may establish an HSA. The maximum contribution is the family contribution amount. Wife may not establish an HSA.
Wife: Self-only HDHP coverage	Wife is an eligible individual and may establish an HSA. The maximum contribution is the self-only contribution amount. Husband may not establish an HSA.	Wife is an eligible individual and may establish an HSA. The maximum contribution is the self-only contribution amount. Husband may not establish an HSA.	Husband and Wife are both eligible individuals and each may establish an HSA. The maximum contribution for each is the self only contribution amount.	If Wife is not covered by Husband's coverage, Wife is eligible to establish an HSA. The maximum contribution is the self-only contribution amount. If Wife is covered by Husband's coverage she may not establish an HSA. Husband may not establish an HSA.	Husband and Wife are both eligible individuals and may establish HSAs. They are treated as having only family coverage. The maximum contribution is the family contribution amount, to be divided between them by agreement.
Wife: Family non-HDHP coverage	No HSA.	No HSA.	If Husband is not covered by Wife's coverage, Husband is eligible to establish an HSA. The maximum contribution is the self-only contribution amount. If Husband is covered by Wife's coverage he may not establish an HSA. Wife may not establish an HSA.	No HSA.	If Husband is not covered by Wife's coverage, Husband is eligible to establish an HSA. The maximum contribution is the family contribution amount. If Husband is covered by Wife's coverage he may not establish an HSA. Wife may not establish an HSA.
Wife: Family HDHP coverage	Wife is an eligible individual and may establish an HSA. The maximum contribution is the family contribution amount. Husband may not establish an HSA.	Wife is an eligible individual and may establish an HSA. The maximum contribution is the family contribution amount. Husband may not establish an HSA.	Husband and Wife are both eligible individuals and may establish HSAs. They are treated as having only family coverage. The maximum combined contribution by Husband and Wife is the family contribution amount, to be divided between them by agreement.	If Wife is not covered by Husband's coverage, Wife is eligible to establish an HSA. The maximum contribution is the family contribution amount. If Wife is covered by Husband's coverage she may not establish an HSA. Husband may not establish an HSA.	Husband and Wife are both eligible individuals and may establish HSAs. The maximum combined contribution by Husband and Wife is the family contribution amount, to be divided between them by agreement.