

TOWN OF HOLLISTON

HEALTH SAVINGS ACCOUNT (HSA)

INFORMATION

Plan Year: July 1, 2021 – June 30, 2022

HEALTH SAVINGS ACCOUNTS:

The Town will make a contribution to your health savings account which will be made by the 15th business day following the end of the quarter as follows:

Individual Plan: \$250	Family Plan: \$500
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NOTE: Employees hired after July 1, 2021, will have their HSA contribution pro-rated based upon the number of days worked.

Employees will have HSA deductions as follows from July 1 to June 30:

<i>Pay Cycle</i>	<i>Number of Deductions</i>
Weekly	48
Bi-Weekly	24
Monthly	12

Calendar Year 2021 the HSA contribution limits are:

Individual	\$3,600	Family	\$7,200	Over 55 an additional \$1,000
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The following are the maximum payroll deductions you may elect for July 1 to June 30:

<i>Under 55 years of age</i>	<i>Individual</i>	<i>Family</i>
Weekly	\$54.16	\$108.33
Bi-Weekly	\$108.33	\$216.66
Monthly	\$216.66	\$433.33
<i>55 plus years of age</i>	<i>Individual</i>	<i>Family</i>
Weekly	\$75.00	\$129.16
Bi-Weekly	\$150.00	\$258.33
Monthly	\$300.00	\$516.66

The above payroll deductions have been calculated by taking the calendar year 2021 HSA contribution limits deducting the Town's contribution to your HSA and dividing the balance by the applicable pay periods.

Health savings accounts are subject to IRS regulations and penalties. If you should become ineligible for an HSA during the year or your marital status changes, please visit the Treasurer's Office as soon as possible. It is the responsibility of the employee to notify the Treasurer's Office of any changes that effect your health care coverage and HSA contribution limits.

Qualifying for an HSA

To be an eligible individual and qualify for an HSA, you must meet the following requirements.

- You are covered under a high deductible health plan (HDHP), described later, on the first day of the month.
- You have no other health coverage except what is permitted under [Other health coverage](#), later.
- You aren't enrolled in Medicare.
- You can't be claimed as a dependent on someone else's 2017 tax return.



Under the last-month rule, you are considered to be an eligible individual for the entire year if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers).

If you meet these requirements, you are an eligible individual even if your spouse has non-HDHP family coverage, provided your spouse's coverage doesn't cover you.

Also, you may be an eligible individual even if you receive hospital care or medical services under any law administered by the Secretary of Veterans Affairs for a service-connected disability.



If another taxpayer is entitled to claim an exemption for you, you can't claim a deduction for an HSA contribution. This is true even if the other person doesn't actually claim your exemption.



Each spouse who is an eligible individual who wants an HSA must open a separate HSA. You can't have a joint HSA.

High deductible health plan (HDHP). An HDHP has:

- A higher annual deductible than typical health plans, and



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- A higher annual deductible than typical health plans, and
- A maximum limit on the sum of the annual deductible and out-of-pocket medical expenses that you must pay for covered expenses. Out-of-pocket expenses include copayments and other amounts, but don't include premiums.

An HDHP may provide preventive care benefits without a deductible or with a deductible less than the minimum annual deductible. Preventive care includes, but isn't limited to, the following.

1. Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals.
2. Routine prenatal and well-child care.
3. Child and adult immunizations.
4. Tobacco cessation programs.
5. Obesity weight-loss programs.
6. Screening services. This includes screening services for the following:

- a. Cancer.
- b. Heart and vascular diseases.
- c. Infectious diseases.
- d. Mental health conditions.
- e. Substance abuse.
- f. Metabolic, nutritional, and endocrine conditions.
- g. Musculoskeletal disorders.
- h. Obstetric and gynecological conditions.
- i. Pediatric conditions.
- j. Vision and hearing disorders.

For more information on screening services, see Notice 2004-23, 2004-15 I.R.B. 725 available at [IRS.gov/irb/2004-15_IRB/ar10.html](https://www.irs.gov/irb/2004-15_IRB/ar10.html).

Other health coverage. You (and your spouse, if you have family coverage) generally can't have any health coverage, other than an HDHP. However, you can still be an eligible individual even if your spouse has non-HDHP coverage provided you aren't covered by that plan.

You can have additional insurance that provides benefits only for the following items.

- Liabilities incurred under workers' compensation laws, tort liabilities, or liabilities related to ownership or use of property.
- A specific disease or illness.
- A fixed amount per day (or other period) of hospitalization.

You also can have coverage (whether provided through insurance or otherwise) for the following items.

- Accidents.
- Disability.
- Dental care.
- Vision care.
- Long-term care.

Other employee health plans. An employee covered by an HDHP and a health FSA or an HRA that pays or reimburses qualified medical expenses generally can't make contributions to an HSA.

This information has been sourced from IRS Publication 969 (2017). The Publication in its entirety can be found at www.irs.gov

