

PHBP

Producers' Health Benefits Plan

HEALTH SAVINGS ACCOUNT (HSA)

Account Ownership	Employee/ Individual
Deposits Made By	Employer, employee or both
Separate Account	Required; IRA-type account
Expenses Covered	Medical, dental, vision, prescription and some over-the-counter expenses. COBRA, retiree medical insurance premiums, LTC premiums or expense – Reference: IRC § 213(d)
Accompanying Plan Requirements	Must be covered by qualified HDHP and not covered by any plan that covers medical expenses under the deductible HDHP Minimum Deductible: 2019: \$1,350 single; \$2,700 family
Contribution Limits	2019: \$3,500 self-only; \$7,000 family; Catch-up: \$1,000
Portability	Full portability required
Rollover	Full rollover required
Funds Availability	As deposits are credited
Claim Adjudication	Not allowed; though participants must retain receipts
Compatibility with Other Savings Accounts	May be paired with HRA/ FSA if limited to amounts over deductible, or to dental/ vision only; may be paired with DCAP, PRA
Employer Contributions	Can be made on behalf of current employees (account extends to spouse and dependents)
Retirees	Can be covered
Debit Card Usage	Yes
Contributions for Medicare Participants	Contributions cannot be made once an individual has Medicare coverage
Usage for Ineligible Expenses	Allowed. Amounts included in income; subject to 20% penalty unless after account beneficiary's death, disability or attaining age 65
Distributions for Expenses Incurred After Individual is No Longer Eligible	Can be made

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COBRA

CONTINUATION COVERAGE

<p>How does COBRA affect HSA eligibility?</p>	<ul style="list-style-type: none">• If a member is enrolled in an HSA-qualified medical plan and is eligible for COBRA continuation, the member can remain covered on that plan. Furthermore, as long as they remain HSA-eligible, they can continue to contribute to the HSA.
<p>Can I use my HSA funds to pay for my COBRA premiums?</p>	<ul style="list-style-type: none">• COBRA premiums can be paid from an HSA. Please note that generally, health insurance premiums cannot be paid from an HSA, however, exceptions are granted if the member has COBRA continuation coverage through a former employer, or they are collecting federal/state unemployment benefits.
<p>Can I use my HSA funds while on COBRA for medical expenses?</p>	<ul style="list-style-type: none">• During COBRA money in an HSA can be used tax-free for eligible medical expenses for the account holder, his or her spouse, and any current tax dependents. In addition to COBRA premiums, the HSA money can be used tax-free for Medicare Part B, Part D and Medicare Advantage premiums as long as the account holder is age 65 or older.
<p>Are there any taxes involved with withdrawing money from my HSA?</p>	<ul style="list-style-type: none">• A member can withdraw HSA funds tax-free at any point for qualified medical expenses, but if it is used for non-medical expenses, taxes need to be paid on those withdrawals. Furthermore, if there is a withdrawal of money before age 65 for non-medical expenses, a 20% penalty applies.
<p>Can I get reimbursed for expenses from a prior year?</p>	<ul style="list-style-type: none">• IRS-qualified medical expenses from previous years are reimbursable at anytime as long as the IRS-qualified medical expenses were incurred after the HSA was established.