

A woman with long brown hair, wearing a grey blazer over a white t-shirt, is looking down at a white medicine bottle she is holding in her left hand. In her right hand, she holds a white card with some text and a "50 ml" measurement visible. The background is a blurred pharmacy shelf filled with various bottles. The overall tone is professional and informative.

Health Savings Accounts

Taking control of your health care dollars

Health Savings Account (HSA)

You will be enrolled in a Health Savings Account (HSA) to help you cover the costs of enrolling in a High Deductible Health Plan (HDHP).



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

SANFORD
HEALTH PLAN

What is an HSA?

A Health Savings Account (HSA) is an individual account, like a personal bank account or an IRA. The money you deposit into your account can be used to pay for future medical expenses with tax benefits. You own the money. It's yours.

Eligibility

You must be enrolled in a qualified High Deductible Health Plan (HDHP). You cannot be enrolled in a general FSA or HRA account, but you can have a limited FSA or HRA. It is your responsibility to check with your employer and ensure IRS compliance with your plans. NOTE: You can be enrolled in a dependent care FSA with an HSA.

You are not eligible if you are:

- Enrolled in Medicare, VA benefits or on TRICARE
- Claimed as a dependent on anyone else's tax return
- Enrolled in a traditional HRA or FSA
- Non-resident alien

How does it work?

Check with your employer on how to enroll. Once you enroll in a qualified High Deductible Health Plan, you are eligible to set up an HSA the 1st of the next month. Then, simply deposit money into your account. The money is always yours, even if you switch jobs.

Once you enroll, your account will be set up at HealthcareBank, a division of Bell Bank (member FDIC). Sanford Health Plan is fully integrated with your account at HealthcareBank.

Can I deposit as much as I want?

No, there are rules regarding how much you can deposit into your HSA account each year. It is your responsibility to make sure you do not exceed the following annual dollar amounts:

HSA Contribution Limits	2018
Individual	\$3,450
Family	\$6,900
Additional contributions available to those age 55 or older	\$1,000

If your medical coverage changes single to family or family to single, you may adjust your contributions accordingly.

Rolling over funds from other accounts

- You are allowed to rollover funds from another HSA or an Archer MSA.
- You are allowed to rollover your IRA, however, there are specific rules regarding an IRA rollover. Contact your IRA provider if interested in a one-time rollover.

Ways to contribute to your account

- Your employer will contribute to your HSA account.
- You can deposit funds directly on your own.

If you exceed the contribution limits, simply remove the excess contributions (and income you have earned) before you file your taxes the next year (April 15). If you forget, the extra contributions are taxed.

Accessing your HSA account

Your account can be conveniently accessed through your member account at sanfordhealthplan.com/memberlogin.

To access your money:

- Use your benefit debit card. The dollar amount will be subtracted from your HSA account.
- Pay for your services up front, then request a distribution from your secure online account.
- We won't ask you for your receipts. It is your responsibility to use the account appropriately. The IRS could ask you for your receipts, so keep them for your tax records.
- If you are no longer covered by a HDHP, your HSA account remains your account and you will continue to be able to access your money. However, you will be responsible for paying the administrative fees.

High Deductible Health Plans generally have lower premiums, but higher deductibles. Use your HSA funds to pay for those out-of-pocket expenses until you reach your deductible.

Deposit funds into your HSA account on a tax-deductible basis.

Withdraw funds from your HSA account on a tax-free basis when using for eligible expenses.

What types of expenses are eligible?

Use your account for eligible medical expenses, such as:

- Doctor visit copays
- Hospital expenses
- Prescription drugs
- Vision/dental care

You can use your HSA dollars to pay for medical expenses for yourself, your spouse, or your tax dependent children.

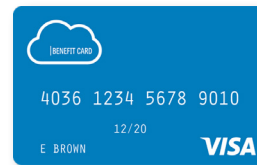
If you use your account for non-medical expenses, you will incur a tax/penalty on the withdrawal. However, once you turn 65, you can use your account for whatever you wish — not just medical expenses — without the tax penalty.

Will I earn interest?

Yes! If you have a:

- Balance of \$2,000 or less: Your account is held in an interest-bearing cash account.
- Balance exceeding \$2,000: Your money can be rolled into an investment account at \$100 increments.

You choose the investments when you enroll in your account. Your investment earnings grow tax free!



DEBIT CARD

Once contributions are posted, and there is money in your account, we will send you two debit cards—free of charge.

What are the tax benefits of having an HSA? Is it right for me?

- Contributions (deposits) can be made on a pre-tax basis.
- Distributions (withdrawals) are tax free if used for eligible expenses.
- Interest (investment) earnings are not taxable.
- No “use-it-or-lose-it” rule.
- No receipts required to submit.
- Employer contributions are not taxable.

Other important Information

- Unused money rolls over year to year. There is no “use it or lose it” provision.
- Since you own the account, you can change jobs and continue using the same account (you may lose your employer contributions if applicable).
- Once you become 55, you can make additional contributions to your account each year until you are 65.

**Call (605) 328-6810
or (877) 737-7730
for more information.**

