



Town of Concord
Health Savings Account (HSA)
Information Sheet
2022-2023

HealthEquity
Building Health Savings™

*Please use ADP Self-Service to elect your HSA contribution.
If you are not able to do so, contact
Human Resources Department
hr@concordma.gov*

Important Notes about Contribution and Deduction Elections

- You may change your deduction election during the Plan Year through ADP Self-Service; please note that the election does not carry into the next Plan Year.
- To be entitled to the full IRS maximum contribution, you must be HSA-eligible for the entire calendar year in which, or after, eligibility begins. *See page 2 for more information about eligibility for the full contribution limits.*
- Use caution and consider IRS proration rules if you wish to make accelerated contributions early in the plan and/or calendar year, rather than spreading them out over 12 months. *See page 2 for more information about prorated contribution limits.*
- To reduce excess contributions in the event your HSA-eligibility ends before a calendar year is completed, limit your biweekly payroll deduction to no more than the prorated employee contribution limit: Self-only = \$110.41; Family = \$220.83 (55+ catch-up, add \$41.66)
- IRS contribution limits are based on the calendar year, not plan year.
- Excess contributions are subject to IRS penalties and taxes, if not addressed via your tax return.
- If you are covered under an HSA-Qualified health insurance plan for only a portion of a month, your HSA-eligibility begins the 1st day of following month.
- Please refer to IRS Publication 969 and Form 8889 Instructions for more information.

Administrative fees associated with maintaining your HSA account are paid by Town while you are enrolled in a Town-provided HSA-Qualified plan. If you stop coverage under a Town HSA-Q plan, you will be responsible for any fees associated with maintaining the HSA account.

Health Savings Account (HSA) Information

HSA-Eligibility Information

Your Health Savings account is your financial asset even if you change employers or health plans. To open and make contributions to a Health Savings Account, you must meet three criteria:

- 1) You must be covered by a qualified high-deductible health insurance plan (HSA-Q).
- 2) You cannot be covered by another health plan, including Medicare or a Health Care Flexible Spending Account. (You may be covered by a Limited Purpose Flexible Spending Account or Limited Use/Purpose Health Reimbursement Arrangement.)
- 3) You cannot be claimed as a dependent on another individual's tax return.

You are considered **"HSA-eligible"** during each full calendar month that you meet the above criteria.

HSA Contribution Limits & Proration for Partial Years of HSA-Eligibility

Once you begin HSA-eligibility (whether through Concord or elsewhere), you are subject to an IRS "Testing Period" to determine whether you are eligible for the entire calendar year contribution amount, or a prorated limit. Contributions made over the limits are considered "excess" and are subject to taxes and penalties.

FULL HSA CONTRIBUTION LIMITS

If you are HSA-eligible on December 1, AND you are HSA-eligible for that entire calendar year OR remain eligible for the entire calendar year thereafter, you are eligible for the entire annual maximum HSA contribution, as follows:

Calendar Year 2022 – Full Contribution Limits			
HSA-Q Coverage Type:	Total Annual Contribution* <i>(employer + employee)</i>	Concord Contribution <i>(counts toward annual max)</i>	Max Employee Contribution in CY2022
Individual	\$3,650	\$1,000	\$2,650*
Family	\$7,300	\$2,000	\$5,300*

*Catch-up contribution (age 55+): additional \$1,000/year

- Employees who begin HSA-eligibility in 2022 must remain HSA-eligible through 12/31/2023 in order to contribute the full amount in 2022 and/or 2023.
- Employees who begin HSA-eligibility in 2023 must remain HSA-eligible through 12/31/2024 in order to contribute the full amount in 2023 and/or 2024.

PRORATED HSA CONTRIBUTION LIMITS

If you are not eligible for the full contribution limits described above, your annual contribution limit is prorated based on the number of full calendar months you were eligible. Your annual limit is the monthly amount shown below times the number of months of HSA-eligibility:

Calendar Year 2022 – Prorated Contribution Limit		
HSA-Q Coverage Type:	Total Annual Contribution* <i>(employer + employee)</i>	Contribution per Month of HSA-Eligibility* <i>(employer + employee)</i>
Individual	\$3,650	\$304.16
Family	\$7,300	\$608.33

*Catch-up contribution (age 55+): additional \$1,000/year; \$83.33/month

Questions? For further information or to review eligibility, please contact:
Health Equity Member Services at 866-346-5800 or www.healthequity.com/hsalearn