

Health Savings Accounts (HSA)

A health savings account (HSA) is a tax-exempt savings account into which both the employer and employee can deposit money (up to an annual limit specified by the IRS) on a tax-preferred basis. The idea is simple: after enrolling in a qualified High Deductible Health Plan (HDHP) and opening an HSA, members can use accumulated tax-free contributions to pay for health care costs for themselves, their spouse and any tax dependents - including doctor and hospital visits, co-payments, eyeglasses, prescriptions, certain long-term care insurance premiums and COBRA premiums.

An HSA offers valuable savings:

- Contributions are tax free
- Account interest accumulates tax free
- Dollars spent on qualified medical expenses are tax free

Any balance left over at the end of the year stays with the individual, available regardless of job changes or retirement. Balances earn interest and may be invested, offering HSA owners the ability to set aside thousands of dollars for later health care needs.

BenefitWallet

BenefitWallet administers the Health Savings Accounts.

Eligibility

You must meet all of the following eligibility requirements or federal regulations prohibit you from opening an HSA:

- Covered under a qualified high deductible health plan on the first day of the month.
- Not covered by any other health plan, including your spouse's health insurance.
- Not covered by spouse's Healthcare Flexible Spending Account (FSA).
- Not enrolled in any part of Medicare or Tricare.
- Have not received veteran's health benefits, with the exception of service-related disability.
- Not claimed as a dependent on another person's tax return.

Enrollment

New faculty/staff enroll **within 30 days** of hire or decline. Continuing faculty/staff may make enrollment changes during open enrollment period.

Employees who wish to participate in an HSA must be enrolled in a high deductible health plan, cannot be Medicare eligible, cannot be claimed as a dependent on another person's tax return, and cannot be enrolled in any other non-qualified medical plan including Medicare and military plans.

Get Started

1. [Open a BenefitWallet Account](#)
2. Complete Required Forms
 - a. Required by federal banking regulations under the Patriot Act
 - b. Master Signature Card – designate a beneficiary and mail this card, even if you provided signature online
3. Responsibly manage your HSA.

2019 HSA LIMITS Contributions

Participant	Baylor Contribution	Employee Maximum Contribution
Employee	\$600	\$2900
Employee + Family	\$1200	\$5800

Baylor's contributions will be deposited as a lump sum when monthly payroll or last working day of January for biweekly payroll is run in January of each year.

Employees over the age of 55 may be eligible to make a \$1,000 catch-up contribution.

Rollover Balance

The contributions you make to the account rollover year to year and are yours to take with you if you leave the University.

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Adult Children

An adult child must be a tax dependent in order for their medical expenses to qualify for payment or reimbursement from a parent's HSA. If account holders can't claim a child as a dependent on their tax returns, then they can't spend HSA dollars on services provided to that child.

According to the IRS definition, a dependent is a qualifying child (daughter, son, stepchild, sibling or stepsibling, or any descendant of these) who:

- Has the same principal place of abode as the covered employee for more than one-half of the taxable year.
- Has not provided more than one-half of his or her own support during the taxable year.
- Is not yet 19 (or, if a student, not yet 24) at the end of the tax year or is permanently and totally disabled.

Payment & Reimbursement

- Your HSA Solutions debit card
- Your HSA Checkbook
- Online Bill Pay
- Reimbursement: Pay for eligible expenses with another form of payment and request reimbursement from your HSA; there are no claim forms.

Be sure to retain all receipts and other documentation related to your distributions in the event you are later asked to substantiate an expense for tax purposes.

Resources – Health Savings Accounts

- [BenefitWallet Contact Information](#)
- [BenefitWallet HSA Enrollment](#)
- [BenefitWallet's HSA FAQs](#)
- [BenefitWallet's HSA Overview](#)
- [BenefitWallet HSA Overview Video](#)
- [BenefitWallet Website](#)
- [Fee Schedule](#)
- [HSA Tax Savings Calculator](#)
- [HSA Investments](#)
- [HSA Member Investment Options](#)
- [SmartBen - HSA Enrollment](#)