

Rules About HSA Eligibility

To be eligible to contribute to an HSA, you must be enrolled in either the CDHP 1 or CDHP 2. If you're covered by a second medical plan – for example, if you're also covered by your spouse's plan – it must be a qualified high-deductible plan too, or you're not eligible for an HSA.

You're not eligible to participate in an HSA if:



You do not have a physical mailing address on file (a requirement of the Patriot Act). If you use a P.O. Box as your primary mailing address, you cannot set up an HSA.



You're enrolled in Medicare or a veteran's medical plan (TRICARE).



You're claimed as a dependent on someone else's federal tax return (unless it's your spouse).



You or your spouse currently participates in a general purpose Health Care Flexible Spending Account (HCFSA). If you currently have money in a Health Care FSA and you want to contribute to an HSA in 2021 – 2022, use your Health Care FSA money by June 30, 2021.

In general, you can't contribute to an HSA if you use a **full purpose** HCFSA for medical expenses. But, if you have an HSA, you can contribute to the new **Limited Purpose FSA** to pay for eligible dental and vision expenses only.

HSA AND TAXES

Remember to keep receipts and other supporting documentation related to your HSA expenses and reimbursement requests. The IRS may request itemized receipts to verify select expenses. Credit card receipts, canceled checks, and balance forward statements do not meet the requirements for acceptable documentation. If you don't have receipts, you may be taxed on the amount of HSA dollars used. When you use your HSA dollars, a tax statement will be mailed to you at the end of each calendar year – be sure to keep these documents with your other tax papers.

Although you can enroll your children up to age 26 in your medical coverage, you **can't** use money from your HSA to pay their health care expenses unless you claim them as dependents on your federal income taxes.

If you have a Domestic Partner enrolled in your plan, the IRS won't allow you to use HSA dollars for their eligible expenses, unless they are claimed as a dependent on your Federal taxes (or vice versa).

For more information about HSAs and eligible expenses, see IRS Publication 969.