HSA Eligibility and Contribution Worksheet

Purpose: Use this form to verify your eligibility for an HSA and determine the amount you may contribute. You are responsible for properly determining your eligibility and contribution amount. This worksheet is simply a tool to aid you in that effort. If you have any questions, please consult with your tax or legal counsel. This Worksheet does not provide tax or legal advice.

1 HSA Eligibility. You must answer "True" to each of the following in order to be eligible for an HSA. See definitions on p.2 for help.
   a. I am covered under a High Deductible Health Plan. True False
   b. I am not covered by another non-HDHP health plan other than "permitted insurance." True False
   c. I am not eligible for Medicare (age 65) or if I am eligible, I am not enrolled in Part A or B. True False
   d. I am not a dependent on another person’s tax return.

Contribution Amount. Use the table below to determine your maximum HSA contribution amount.

<table>
<thead>
<tr>
<th>Contribution Worksheet</th>
<th>Individual</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Catch Up² (if age 55 to 65 add $1,000 for 2009)</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Total (add Federal Limit plus Catch-Up)</td>
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²Catch-Up Contributions. For eligible individuals (and their eligible spouses covered under the HDHP) between ages 55 and 65, the HSA contribution limit is increased by $900 for 2008 and this amount will increase to $1,000 in 2009 and years thereafter. If both you and your spouse are between age 55-65 and eligible for an HSA, you each get a catch-up contribution. You cannot contribute more than $6,700 ($5,800+$900) into one HSA for 2008. Catch-up contributions must be made into each spouses’ respective HSA.

Need More Help? You are encouraged to talk to a tax professional, your insurance representative or another professional to help determine your eligibility and contribution amount. IRS Notice 2008-59 and IRS Notice 2004-50 both provide examples and more detail on eligibility (caution some points in the 2004 IRS Notice are outdated).
HSA Eligibility and Contribution Worksheet - Definitions and Instructions

1. HDHP Defined. The quickest and easiest method to determine if you are covered by a HDHP is to ask your insurance provider. Generally, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses.

   a) HDHP Limits. For self-only coverage, an HDHP has an annual deductible of at least $1,100 for 2008 ($1,150 for 2009) and annual out-of-pocket expenses required to be paid (deductibles, co-payments and other amounts, but not premiums) not exceeding $5,600 ($5,800 for 2009). For family HDHP coverage the minimum deductible is $2,200 for 2008 ($2,300 for 2009) and the maximum out-of-pocket limit is $11,200 for 2008 ($11,600 for 2009). The maximum out-of-pocket can exceed these limits for out-of-network services.

   b) Preventative care. A plan does not fail to qualify as an HDHP merely because it does not have a deductible (or has a small deductible) for preventative care (e.g., first dollar coverage for preventive care).

   c) Permitted insurance defined. If you are covered under a HDHP, you are not allowed to also be covered under another health plan, other than certain “Permitted” types of insurance. Permitted insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization. In addition to permitted insurance, an individual does not fail to be eligible for an HSA merely because, the individual has coverage for accidents, disability, dental care, vision care, or long-term care. You are covered by another health plan if you are covered under a health Flexible Spending Account (FSA) or Health Reimbursement Account (HRA) unless it’s a Limited Purpose FSA or HRA. You are also considered covered under another health plan if your spouse is covered under a FSA or HRA.

2. End HSA Eligibility Mid-Year Or Change HDHP Status. This section applies if you meet your testing period, but end your HSA eligibility mid-year or change from Single HDHP coverage to family or visa versa. For example, assume you started your HSA in 2008. You remain eligible until you turn 65 in July 2010. You met any required testing period; however, you will not be allowed to make a full contribution for 2010 because you will not be eligible for the full year. If you do make a full year’s HSA contribution, you will have to remove the excess amount plus earnings prior to your tax due date or face taxes plus a penalty on the amount over your "sum of the months" amount calculated below. This amount is treated as an excess contribution and if not removed , is subject to a penalty of 6% per year it remains in the HSA. This is very different treatment than the testing period rule for a similar situation. See our HSA Testing Period Worksheet for details. Use the chart below to calculate your maximum contribution amount using the "sum of the months" method. This means you can contribute 1/12 times the number of months you are eligible times the applicable federal HSA limit (single or family HDHP plus catch-up if between ages 55-65). If you change your status from single to family HDHP or visa versa, you need to calculate some months at the family rate and some months at the individual rate – use both columns.

3. FSA or HRA Transfer to an HSA. You may transfer money from an FSA or HRA into an HSA. This rule is designed to assist people in switching from traditional health insurance with an FSA or HRA into an HDHP with an HSA. The rules for this are complex and require your employer’s involvement (generally, the employer must amend the FSA for HRA to allow for this). The amount transferred cannot exceed the lesser of (1) the balance in the FSA or HRA as of September 21, 2006 and (2) the balance in the FSA or HRA as of the date of the transfer. The amounts transferred from the FSA or HRA are not counted against your federal HSA limit for the year. So you may make up to the federal annual contribution limit in addition to the amount transferred from and FSA or HRA. The transfer is excludable from gross income, meaning you do not have to pay taxes on the amount transferred. You cannot; however, deduct the amount transferred as an HSA contribution (the money already avoided income taxes when contributed to the FSA or HRA). If you fail to maintain your eligibility for the HSA during a testing period, then the amount transferred is taxable and subject to a 10% penalty. An exception applies if you cease to maintain eligibility because of death or disability. The testing period is the period beginning with the month of the transfer contribution and ending with the last day of the 12th month following such month. This rule only applies to transfers made before January 1, 2012 (i.e. you cannot transfer assets from an FSA or HRA into an HSA after that date). You may only do one transfer per FSA or HRA.

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