

For Federal Employees

HSA and HRA Facts

A Health Savings Account (HSA) is a savings account used to cover medical costs. Used with a high-deductible health plan (HDHP), these accounts cover qualified medical items not paid by the policy, tax free.

An HSA can act as a savings account while providing tax deductible deposits, earning tax-free interest income, paying your deductible tax free, and paying your medical care tax free.

An HRA is a special reimbursement arrangement established and maintained by an employer to help pay for employee medical expenses.

Frequently asked questions

What is an HSA?

An HSA is an account that provides a tax-advantaged way to pay for your current and future medical expenses. Sometimes referred to as a "medical 401K," it is owned by you, not your employer, earns tax-free interest, rolls over year after year, and moves with you wherever you go—to a new health plan, new job, or into retirement.

What are the benefits of an HSA?

HSAs offer tax-free contributions, tax-free growth, balance rollovers, portability, and reduced health insurance premiums.

Who is eligible for an HSA?

To open and contribute to an HSA, you must be covered by a qualified HDHP, must not be eligible for Medicare or have TRICARE, cannot be covered by any other non-HDHP medical insurance (your

own or your spouses) as defined by the U.S. Treasury, cannot be claimed as a dependent on someone else's tax return, have not received VA or Indian Health Services (IHS) benefits in the last three months unless it's service related, and you and/or your spouse are not covered by a general purpose health Flexible Spending Account (FSA).

How much can be contributed to an HSA?

For 2018, a total tax-free amount of \$3,450 individual and \$6,900 for self plus one and self and family can be deposited into your account, including the Kaiser Permanente contribution of \$750 individual and \$1500 for self plus one and self and family. A catch-up contribution of \$1,000 is allowable for individuals 55 years of age and older. You may establish pre-tax HSA deductions from your paycheck to fund your HSA

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up to IRS limits using the same method that you use to establish other deductions (i.e., Employee Express, MyPay, etc.).

You may rollover funds you have in other HSAs to this HDHP HSA (rollover funds do not affect your annual maximum contribution under this HDHP). HSAs earn tax-free interest (interest does not affect your annual maximum contribution).

What is an HRA?

An HRA is a special reimbursement arrangement established and maintained by an employer to help pay for employee medical expenses. HRAs are not the property of the employee, the employee cannot make additional contributions, the funds do not earn interest, and they are not portable; however, unused dollars will roll over each year you remain on the HDHP.

If you're not eligible for an HSA, an HRA will be established for you with HealthEquity. Kaiser Permanente will contribute \$62.50 per month for an individual, or \$125 per month for self plus one or self and family.

How do I enroll in the HSA or HRA?

Fill out and return the HSA Eligibility Worksheet and mail the completed form to:

FEHB
P.O. Box 34750
Seattle, WA 98124-9745

After enrolling in the HDHP, when will my HSA (or HRA) funds be available?

Before funding for an HSA can occur, we must receive the HSA Eligibility Worksheet. Upon receipt of this document, an HSA or HRA account will be set up with HealthEquity® and you will receive a HealthEquity® Welcome Kit with everything necessary to utilize your HSA or HRA account. The first year you enroll in our HDHP, funds will be prorated based on your enrollment effective date. If your enrollment is effective other than the first day of a month, your funds will be prorated based on the first of the following month.

Can I get reimbursed for Medicare Part B premium?

Yes, you can get reimbursed from an HRA for Medicare Part B premium. Simply complete the HRA Claims Reimbursement Form and submit it monthly with your annual Social Security Administration Cost of Living statement to HealthEquity via mail or fax, and HealthEquity will provide monthly reimbursement payments to you from your account. You can also request a Medicare benefit verification letter from Social Security at www.ssa.gov, or by phone at 1-800-772-1213. Then submit this monthly with the HRA Claims Reimbursement Form.

Questions?

HealthEquity administers the HSA and HRA accounts for our FEHB members. For information, go to **HealthEquity.com** or call toll-free at **1-877-291-1936**.

This is a summary [or brief description] of the features of the Kaiser Permanente Washington Region health plans. Before making a final decision, please read the Plan's Federal brochure (RI 73-012 or RI 73-051). All benefits are subject to the definitions, limitations, and exclusions set forth in the Federal brochure.

All plans offered and underwritten by Kaiser Foundation Health Plan of Washington or Kaiser Foundation Health Plan of Washington Options, Inc.