



# Financial Wellness

LUNCH & LEARN SERIES

IU HUMAN RESOURCES

February 21, 2024

# Housekeeping

- **Sessions are not recorded.** Slides may be available as a PDF in the chat.
- **All attendees have been placed on mute.** If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the **chat** for helpful links to additional information.
- **Please put all questions in the Q&A box.** Do not put any questions related to a personal situation or list personal details in the Q&A.
- At the end of today's session, you will be asked to complete a brief survey.



# Health Savings Account **101**

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Manager of Healthcare Benefits  
IU Human Resources

A close-up photograph of a person wearing a white lab coat, holding a large, realistic red heart in their cupped hands. The background is blurred, showing the person's torso and a white container with pens. The lighting is soft, highlighting the texture of the heart and the person's hands.

**SECTION I**

**HDHP & HSA**

# Two Parts: HDHP & HSA

## HDHP – Comprehensive medical coverage:

- Office Visits
- Hospital
- Mental Health
- Prescriptions
- Transplants
- Vision

## HSA – Tax-free savings account:

- Medical
- Prescriptions
- Dental
- Vision



The image features three light-colored wooden blocks arranged horizontally, each with a large black letter on its top surface. The letters, from left to right, are 'H', 'S', and 'A', spelling out 'HSA'. The blocks are set against a background of several US one-dollar bills, which are slightly out of focus. The bills show the portrait of George Washington and various security features like the 'B' seal and serial numbers.

**HSA**

**SECTION II**

**HEALTH SAVINGS ACCOUNT (HSA)**

# HSA Overview

- Paired with **HDHP**
- A **savings** account
- For **healthcare** expenses
- Offers **triple tax savings**:
  - No taxes on contributions
  - No taxes on interest/earnings
  - No taxes on distributions



# Tax Advantage #1

No taxes on **contributions**

- No federal income taxes
- No state income taxes
- No local income taxes
- No Social Security taxes (OASDI)
- No Medicare taxes (FICA)





# Your HSA Contributions

Annual Minimum: **\$300**

2024 Annual Maximum:

Employee Only	<b>\$4,150</b>
Family (Employee + Spouse, Employee + Child(ren), or Family)	<b>\$8,300</b>
Additional age 55+ catch-up contribution	<b>\$1,000</b>

- **Maximums include contributions from all sources** (IU, employee, spouse's contribution to their HSA, any Archer MSA contributions)
- *Maximums may be prorated by the IRS* if HDHP enrollment is less than 12 months or when coverage levels change mid-year

# IU's HSA Contribution

Employee-only: **\$1,300**

All other coverage levels: **\$2,600**

½ Deposited in **January** and  
½ Deposited in **July**

or

Payroll following new election or  
life event change



# Tax Advantage #2

No taxes on **interest or earnings**

- Cash account earns savings interest
- Open an investment account:
  - \$1,000 cash account balance minimum
  - Transfer any amount above the min
  - Set up one time or recurring transfers
  - Manage investments online (FREE)
  - Speak with a Nyhart registered investment representative (FREE)



# Nyhart Investments

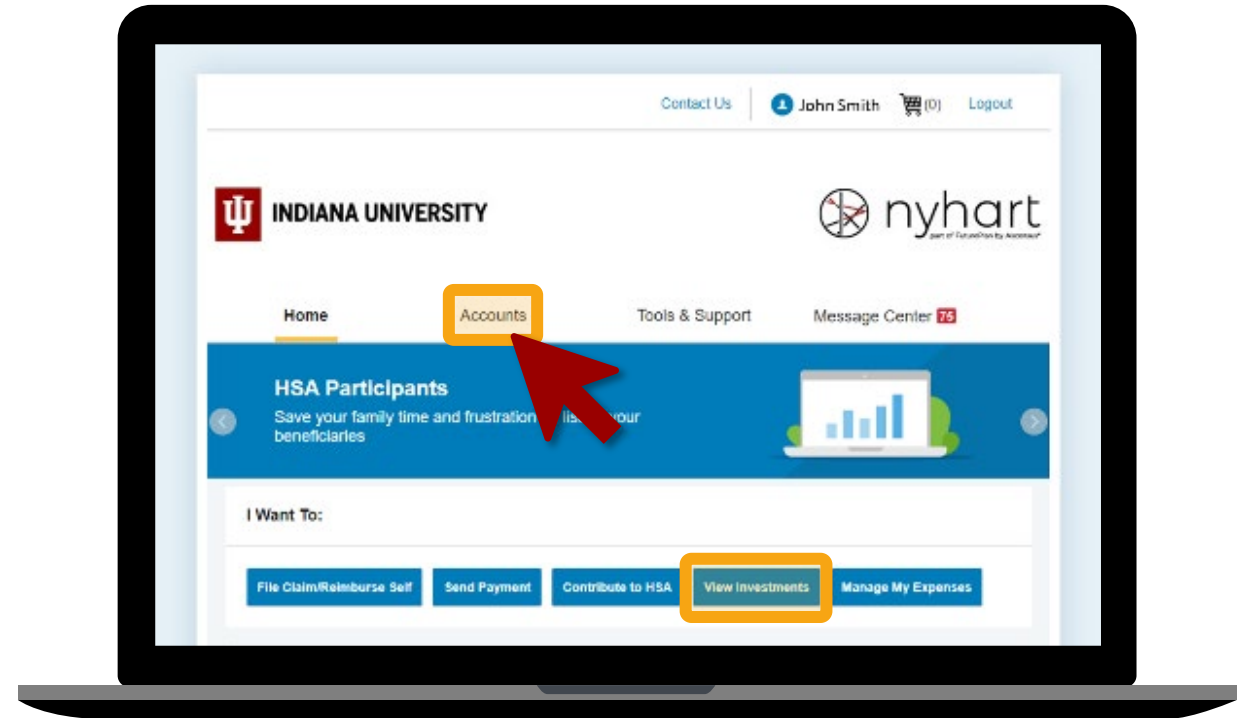
**Make your HSA work harder for you by investing!**

## Investment Education:

- Fund performance information (prospectus and fact sheets)
- Guidance Tool
- FAQs

## Manage Investments:

- One-time transfers
- Auto transfers
- Update fund allocations



# Tax Advantage #3

No taxes on **withdrawals** when used for IRS-approved health expenses

- Medical
- Prescriptions
- Dental
- Vision
- Hearing Aids
- Acupuncture
- COBRA premiums
- Medicare premiums



# Healthcare Expense Eligibility Table

## Access list from:

- Log in to [iu.nyhart.com](https://iu.nyhart.com)
- Visit [www.wexinc.com/insights/benefits-toolkit/eligible-expenses/](https://www.wexinc.com/insights/benefits-toolkit/eligible-expenses/)

## Searchable list:

✓ Eligible

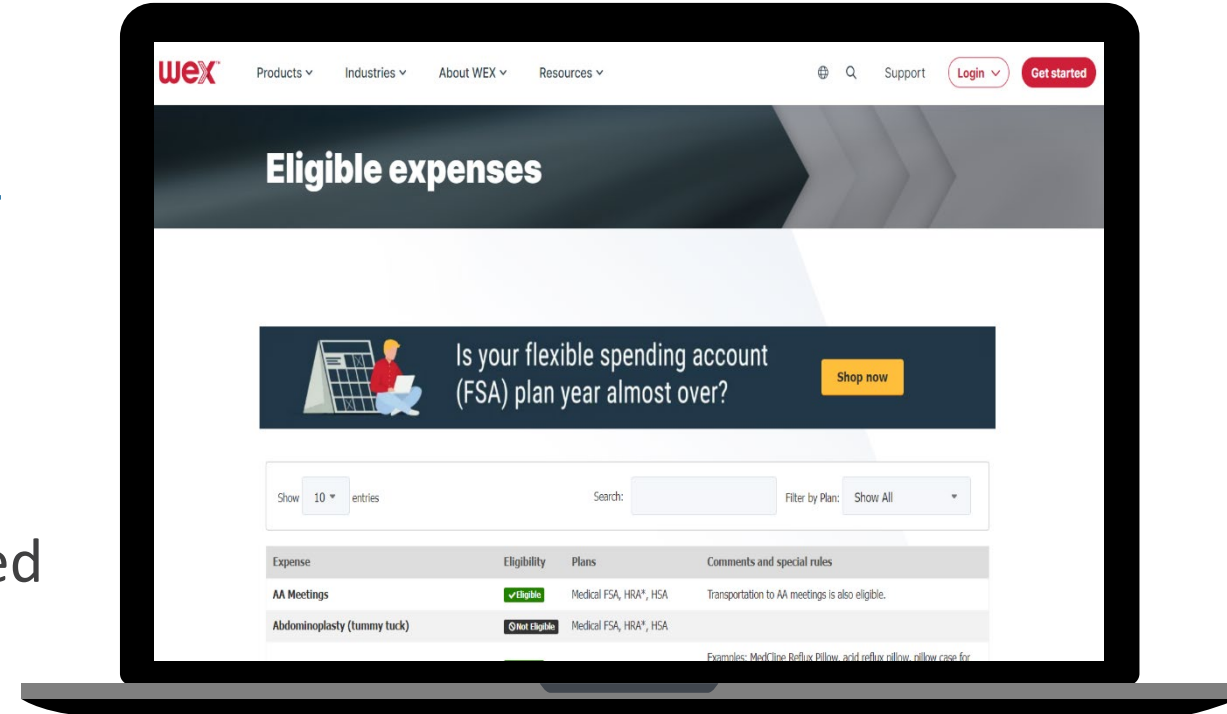
Qualifying expense

Doc

Additional documentation required

⊘ Not Eligible

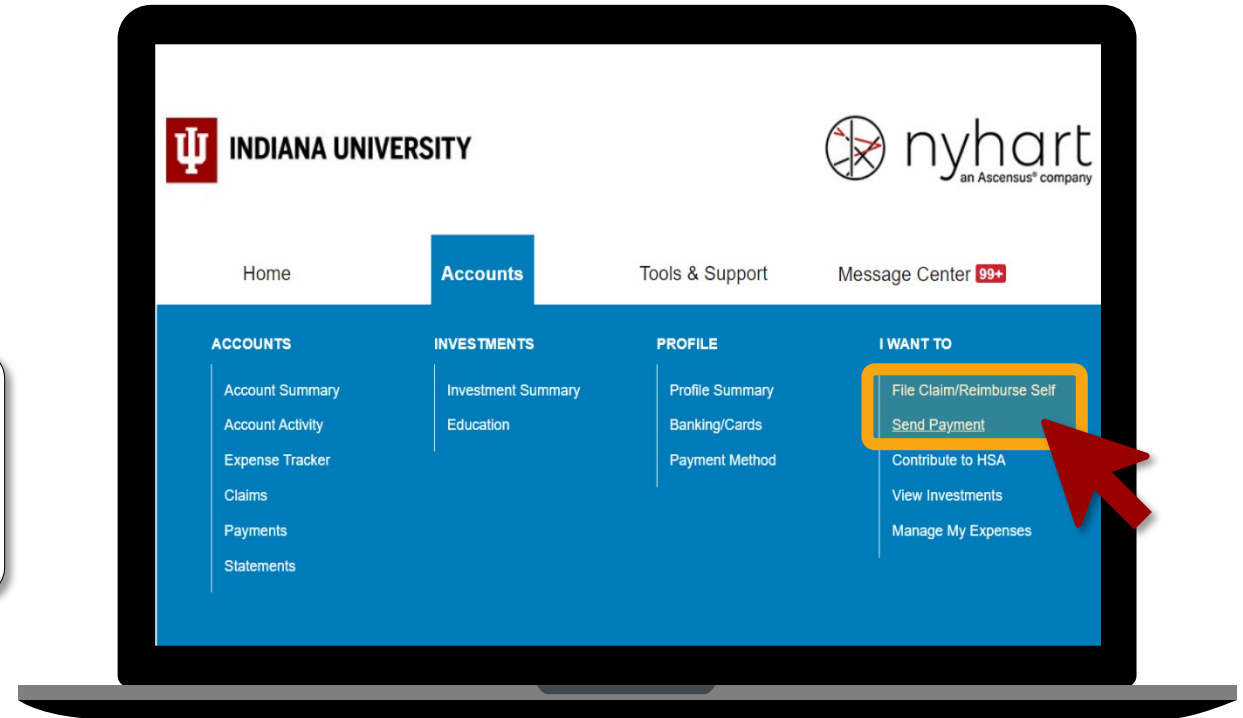
Not a qualifying expense



# Make an HSA Transaction

## Flexibility of Access

- Use **IU Benefit Card** at healthcare providers (physician offices, pharmacies, dental, vision providers)
- Use online tools to **pay bills** directly
- Use online tools to **transfer money**
- Download the **mobile app**



# Additional Benefits

- Change contribution **at any time**
- Use funds for health expenses of **any tax dependent** (spouse, child(ren), dependent relative, etc.)
- Balance **rolls over** year after year
- Unused funds are **yours to keep**, even when:
  - you retire;
  - you leave IU employment;
  - you are no longer eligible to make contributions;
  - you pass away, your funds can pass to your beneficiaries.





# HSA Features

## Use funds to reimburse yourself for:

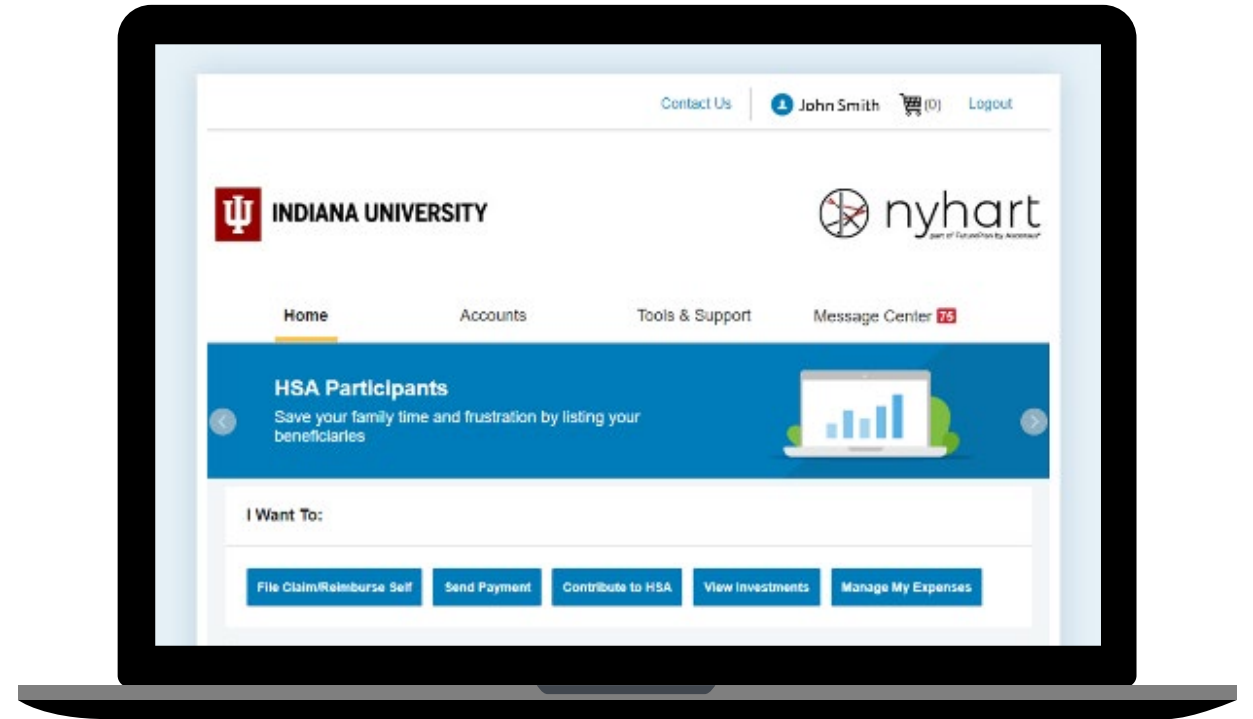
- **Current** health expenses paid out-of-pocket
- **Past** health expenses incurred all the way back to the date the account was opened
- **Future** healthcare expenses anticipated in retirement including Medicare premiums



# Nyhart Account Access

**Log in to account at [iu.nyhart.com](https://iu.nyhart.com) to:**

- View account activity
- Find common forms
- IRS Qualified Expense List
- Use the Expense Tracker function
- Transfer funds online to/from a personal bank account
- Pay your healthcare expenses directly from account
- Manage investment account



Status



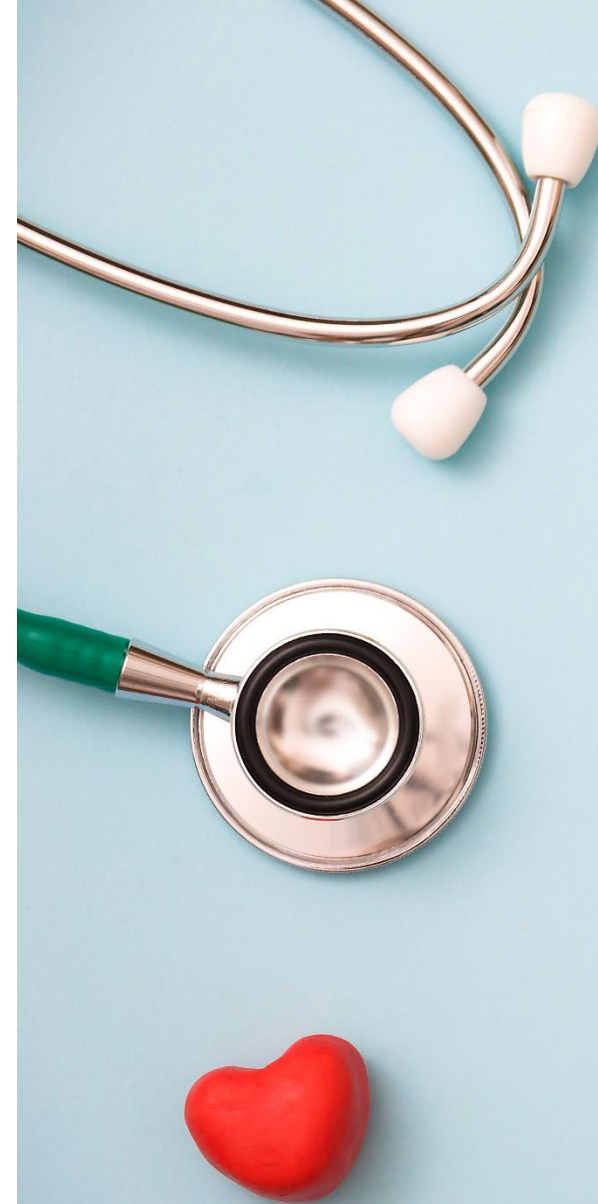
Forms, Instructions &

**SECTION III**

**IRS RULES**

# HSA Restrictions

- Must meet eligibility requirements to be eligible to make tax-free contributions
- **Under age 65**, must use **ONLY** for IRS qualified healthcare expenses, otherwise IRS imposes:
  - **20%** penalty
  - **Income** taxes
- **Age 65+**, can use account for non-healthcare expenses:
  - **NO** penalty
  - **Income** taxes



# Eligibility Rules

- You must have a valid **Social Security Number**.
- You **cannot be claimed as a dependent** on someone else's tax return.
- You must be **covered under an HDHP**.
- You must have **NO other medical coverage**.
  - Coverage by a federal government program, e.g., Medicare A & B or D, Tricare, or VA medical
  - Coverage by a spouse's medical plan unless it is also an HDHP
  - Coverage by a spouse's:
    - Flexible spending account (FSA)
    - Health Reimbursement Arrangement (HRA)
    - IU's Healthcare Flexible Spending Account (FSA)

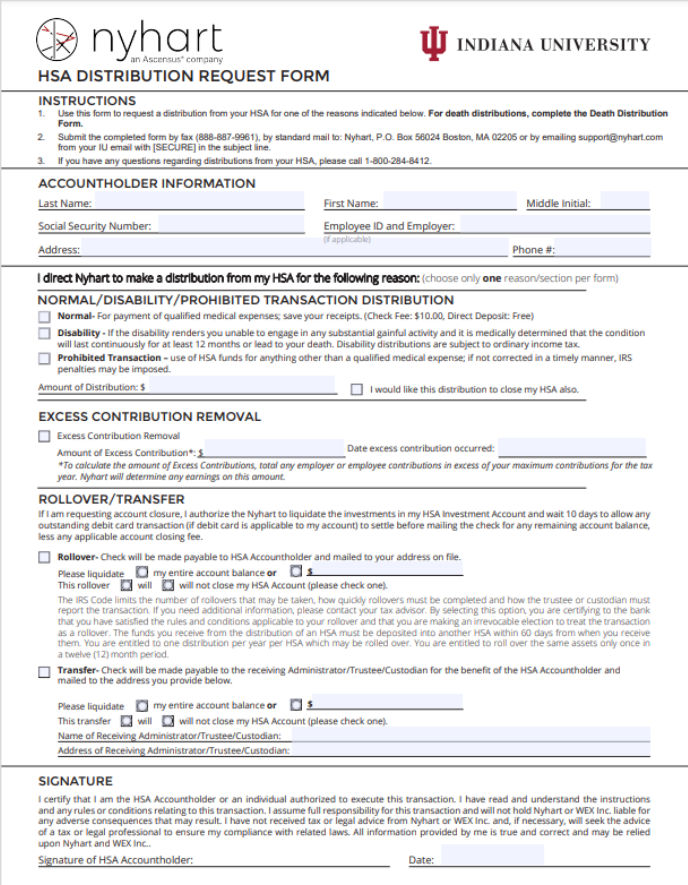
# Ineligible for Tax-Free Contributions

## You can enroll in HDHP plan and **waive the HSA**

- No HSA account will be opened; No IU contribution
- No taxes or penalties to worry about
- Can still enroll in the Healthcare FSA

## If you are ineligible and **still enroll in the HSA**

- You must contribute the \$300 minimum to receive IU's Contribution
- You are responsible for:
  - Filing "Excess Contribution" form with Nyhart
  - Reporting all contributions (IU and employee contributions) as taxable income on your annual tax return
  - Paying any taxes or penalties assessed by the IRS
- Recommend consulting a tax advisor



The image shows a form titled "nyhart HSA DISTRIBUTION REQUEST FORM" with the Indiana University logo. The form is divided into several sections: INSTRUCTIONS, ACCOUNTHOLDER INFORMATION, NORMAL/DISABILITY/PROHIBITED TRANSACTION DISTRIBUTION, EXCESS CONTRIBUTION REMOVAL, and ROLLOVER/TRANSFER. The INSTRUCTIONS section includes three numbered steps. The ACCOUNTHOLDER INFORMATION section has fields for Last Name, First Name, Middle Initial, Social Security Number, Employee ID and Employer, Address, and Phone #. The NORMAL/DISABILITY/PROHIBITED TRANSACTION DISTRIBUTION section has checkboxes for Normal, Disability, and Prohibited Transaction, along with a field for Amount of Distribution and a checkbox for "I would like this distribution to close my HSA also." The EXCESS CONTRIBUTION REMOVAL section has a checkbox for Excess Contribution Removal, a field for Amount of Excess Contribution, and a field for Date excess contribution occurred. The ROLLOVER/TRANSFER section has a checkbox for Rollover and a checkbox for Transfer, with fields for Please liquidate, This rollover will, and Name of Receiving Administrator/Trustee/Custodian.

A man with a beard and glasses, wearing a light blue button-down shirt over a white t-shirt, is seated at a desk. He is looking intently at a large sheet of paper he is holding. The background shows a modern office environment with a white bookshelf containing books and small plants, and a window with blinds on the left. The lighting is soft and natural, suggesting a bright but slightly overcast day.

**SECTION IV**

**REPORTING REQUIREMENTS**

# Record Keeping

## What to retain:

- Copy of receipt
- Copy of EOB
- Doctor's prescription or note
  - Show expense is primarily for medical care
  - Recommended for treatment of a specific medical condition

## How long to keep records:

- **Three years** after filing income tax return
- As long as you maintain the account

**Receipts are not sent to the IRS.  
Keep receipts and records for  
use if audited by the IRS.**



# Nyhart Expense Tracker

**Attach an image** of the receipt to the expense.

**Add details** to each expense.

- Expense category
- Who the expense was for
- Notes and expense details

**Download a report** of all expenses.

DATE	EXPENSE	RECIPIENT/PATIENT	MERCHANT/PROVIDER	SUBMITTED AMOUNT	STATUS
10/31/2019	Medical	Jane Doe	DRUMMOND CHIROPRA...	\$10.64	\$

Payment Details

Description: [Distribution](#)      Date(s) of Service: 10/31/2019  
Requested On: 10/31/2019      Account: Health Savings Account  
Expense Category: Medical      Paid: [\\$10.64](#)  
Source: Debit Card

[Update Recipient/Patient](#)    [Update Expense](#)    [Upload Receipt](#)

+ 10/29/2019	Medical	Jane Doe	ALLERGY ASTHMA OF S...	\$11.58	\$
+ 10/29/2019	Medical	Jane Doe	KAMP	\$7.79	\$
+ 10/24/2019	Medical	Jane Doe	DRUMMOND CHIROPRA...	\$13.00	\$
+ 10/9/2019	Medical	Jane Doe	DRUMMOND CHIROPRA...	\$11.58	\$

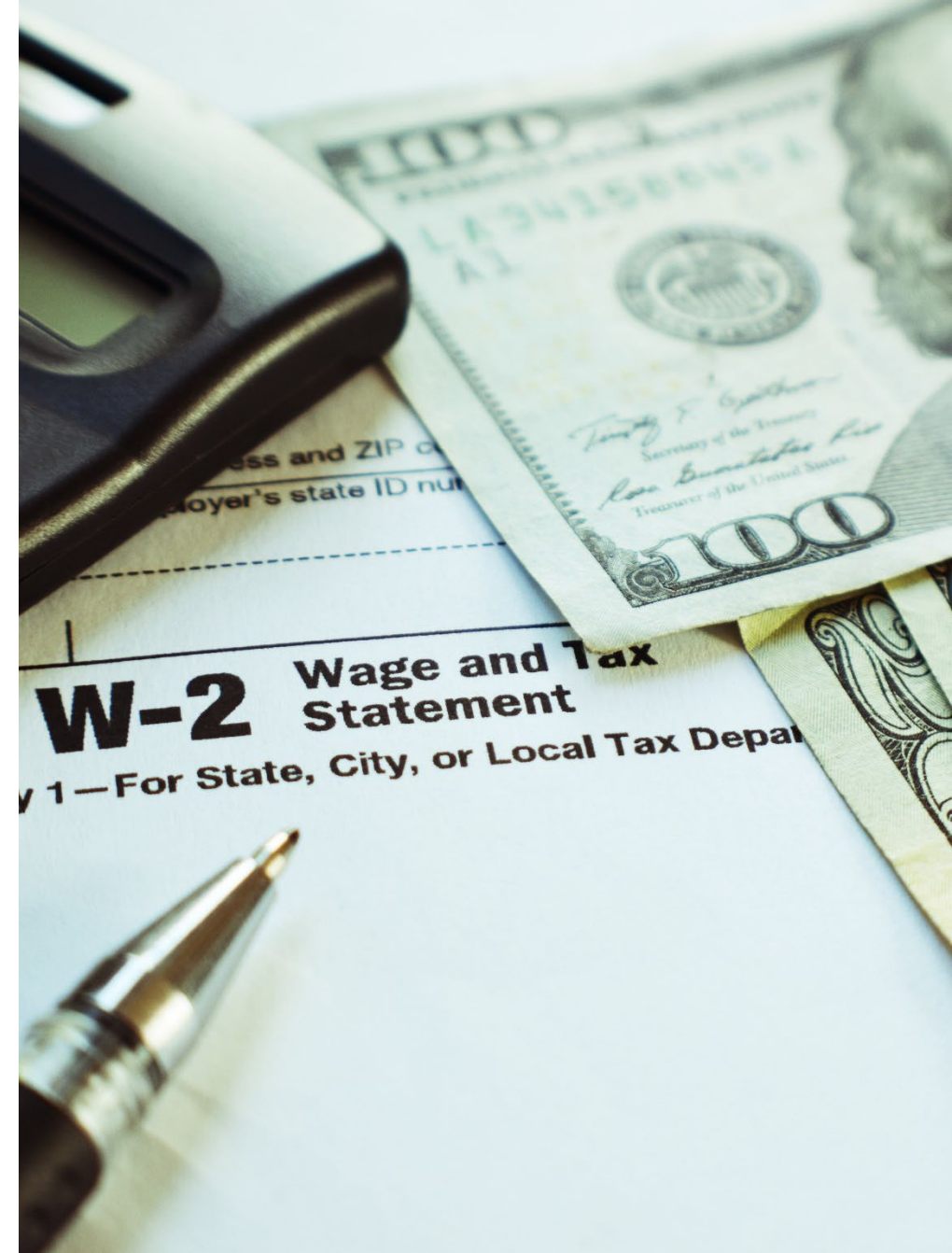
# Tax Reporting

## Tax Forms:

- **Form 1099-SA**
  - Reports distributions from your HSA
  - Available on Nyhart site in January
- **Form 5498-SA**
  - Reports contributions to your HSA
  - Available on Nyhart site in January
- **Form W-2**
  - Reports contributions made to your HSA through payroll deductions (IU's contribution and Yours)
  - Available in the Employee Center in January

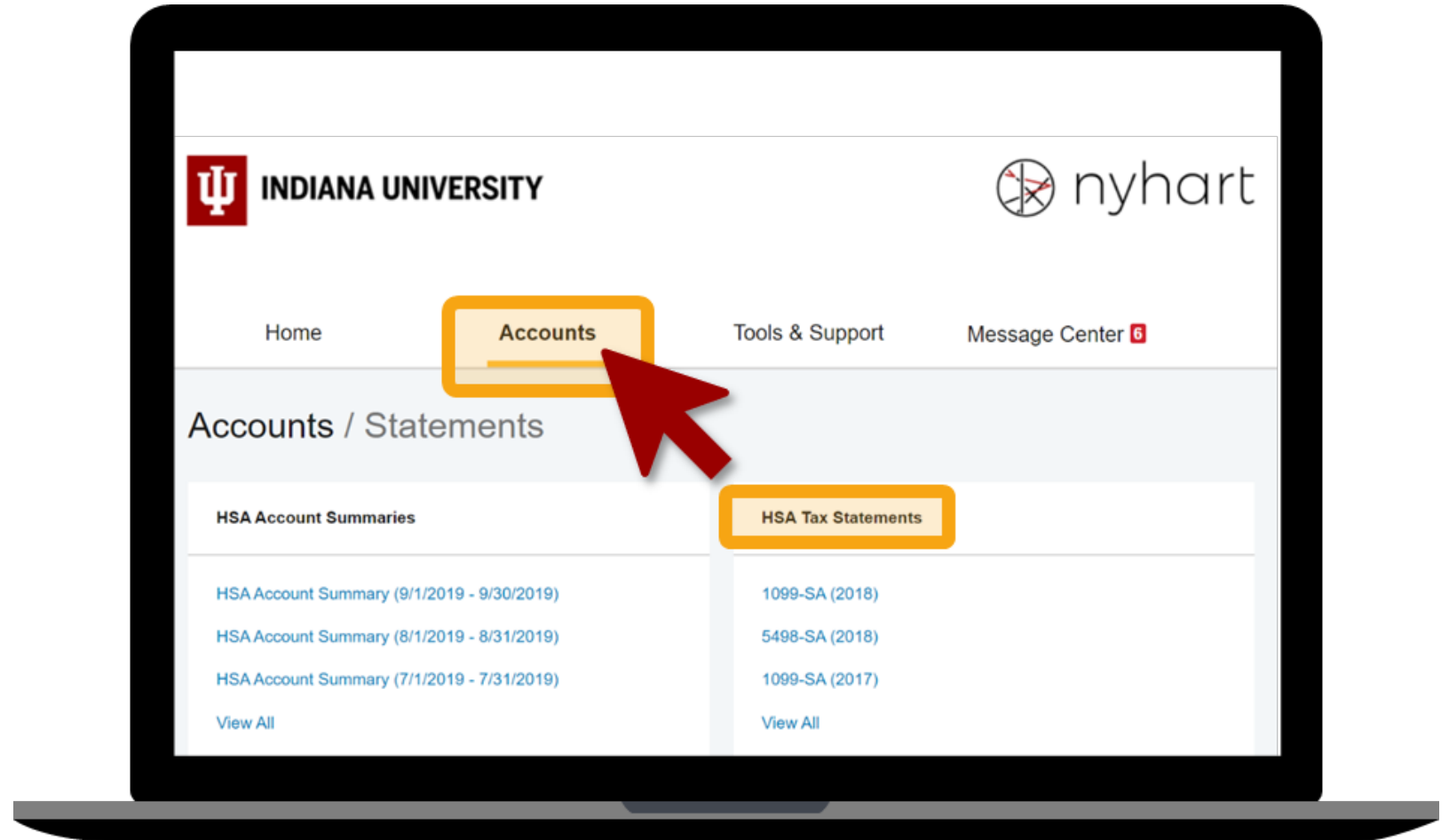
## Tax Reporting:

- **Form 8889** (filed annually with income taxes)
  - Report contributions to your HSA
  - Report distributions from your HSA
  - Figure any taxes or penalties for ineligible contributions and/or distributions



# Account Statements

- Monthly **account** statements
- Annual **tax** statements





**SECTION V**

# **HSA BENEFICIARIES**

# Beneficiary Designation

## Spouse:

- HSA transfers to spouse
- Can continue to use for their healthcare expenses tax-free

## Friend or Family Member:

- Entire value of account becomes taxable in the year of your death

## Estate:

- Total distribution is included on the deceased HSA owner's final tax return



# Name a Beneficiary

The screenshot shows the Indiana University website interface. At the top left is the Indiana University logo (Ψ) and the text "INDIANA UNIVERSITY". To the right is a "ny" logo. Below the logo is a navigation bar with "Home", "Accounts" (highlighted with a yellow box), "Tools & Support", and "Message Center". Below the navigation bar is a blue sidebar menu with four columns: "ACCOUNTS" (Account Summary, Account Activity, Expense Tracker, Claims, Payments, Statements), "INVESTMENTS" (Investments, Education, Manage Investments), "PROFILE" (Profile Summary - highlighted with a yellow box, Banking/Cards, Payment Method), and "I WANT TO" (Make an HS, View Investments, Manage My Expenses). A red arrow points to the "Profile Summary" link. A modal window titled "Beneficiaries" is overlaid on the right side. It has an "Add Beneficiary" button (highlighted with a yellow box) in the top right corner, with a red arrow pointing to it. Below the title, it displays "SPOUSE NAME" with details: "Type: Primary" and "Share: 100%". At the bottom of the modal are two links: "View / Update" and "Remove".

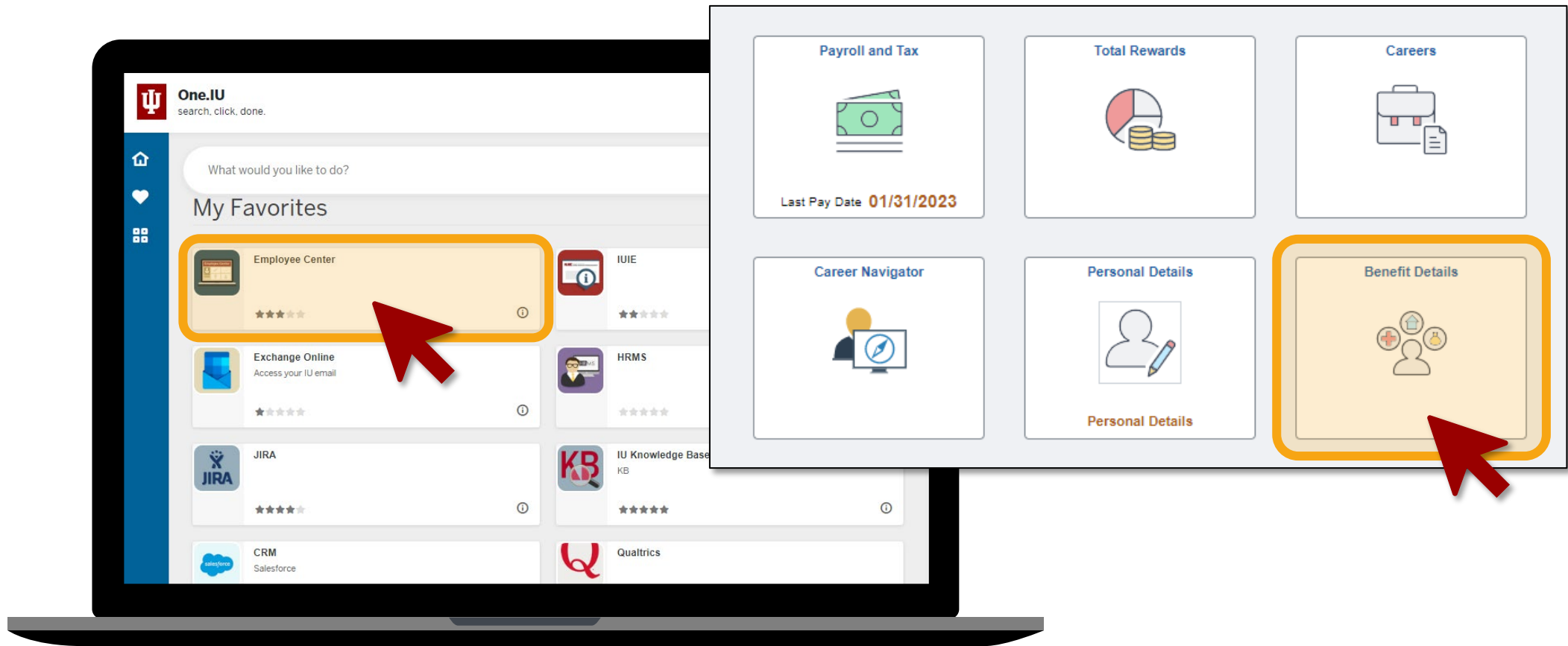
A person wearing a yellow sweater is holding a black smartphone in their right hand. In the background, a silver laptop is open on a desk. The scene is brightly lit, likely from a window, creating a soft, warm atmosphere. The overall image is slightly blurred, focusing attention on the person's hands and the devices.

**SECTION VI**

# **CHANGING HSA CONTRIBUTIONS**

# Change Your HSA Contribution

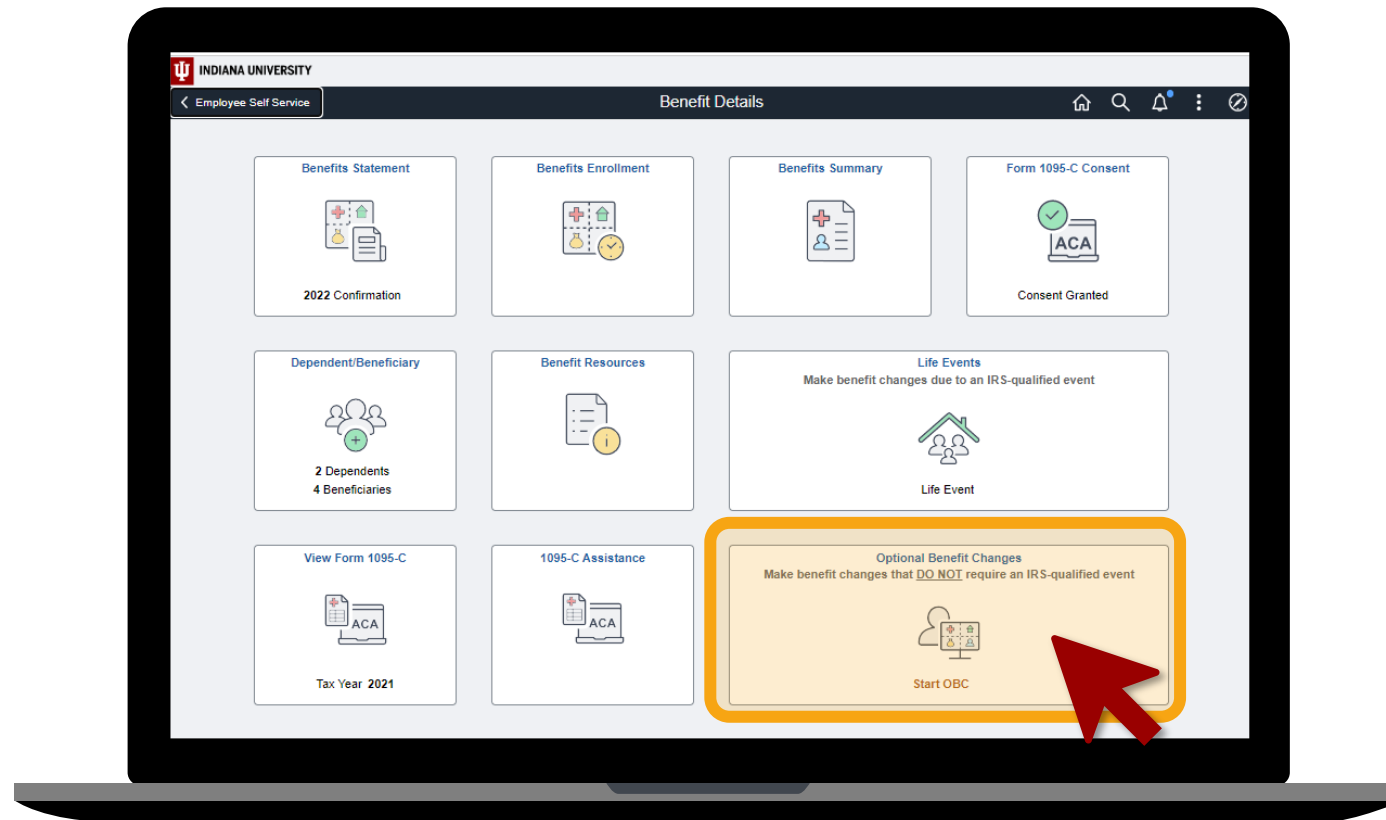
Employee Center task at One.IU → Benefit Details Tile





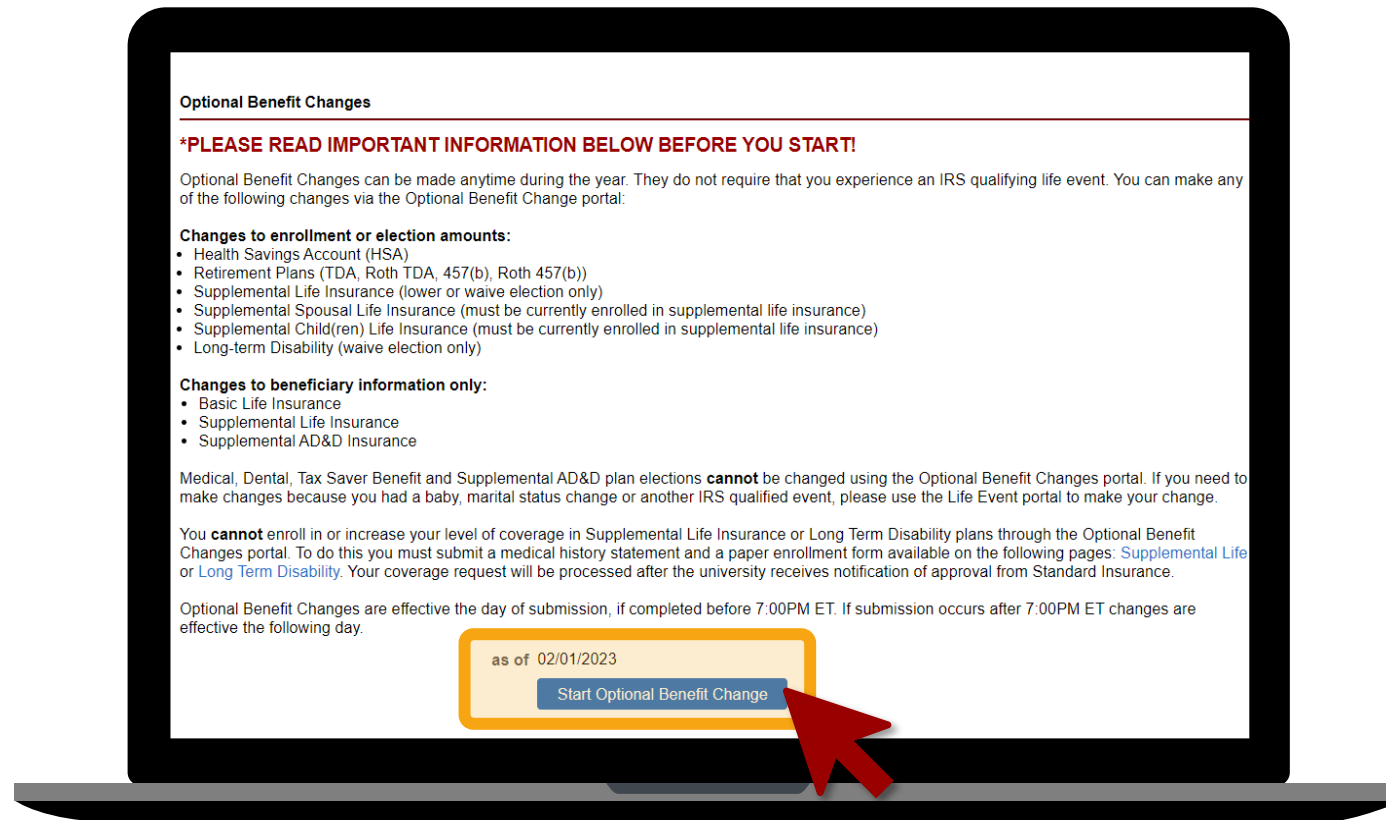
# Change Your HSA Contribution

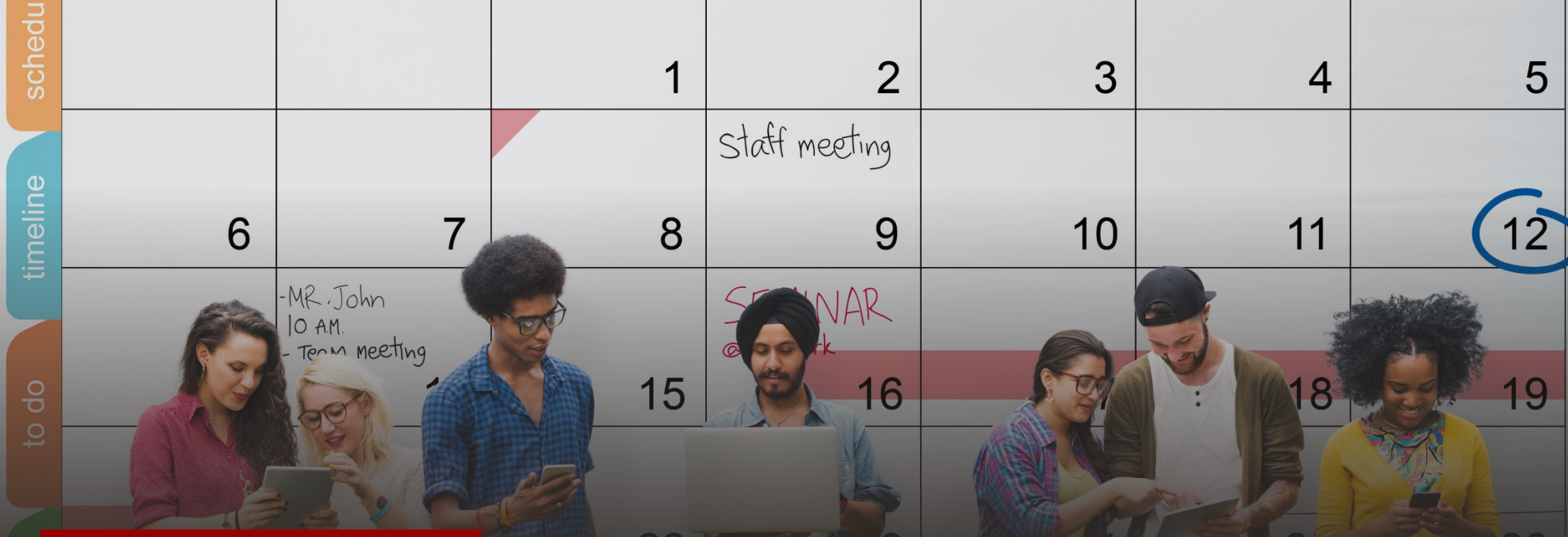
Benefit Details Tile → Optional Benefit Changes Tile



# Change Your HSA Contribution

Optional Benefit Changes Tile → Start Optional Benefit Change





schedule

timeline

to do

**SECTION VII**

**IUHR EVENTS CALENDAR**

# Register for Our Upcoming L&L Sessions

**February 27** – Invest Confidently for Your Future

**March 5** – Make the Most of Your Retirement Savings

**March 26** – Saving through Roth Contributions in the IU Supplemental Retirement Plans

**March 28** – Indiana College Choice 529 Plans and the IU Tuition Benefit

**April 4** – Managing Money: Budget, Emergency Savings, and Debt Basics

Register at [events.iu.edu/iuhumanrescal](https://events.iu.edu/iuhumanrescal)



# Contact IU

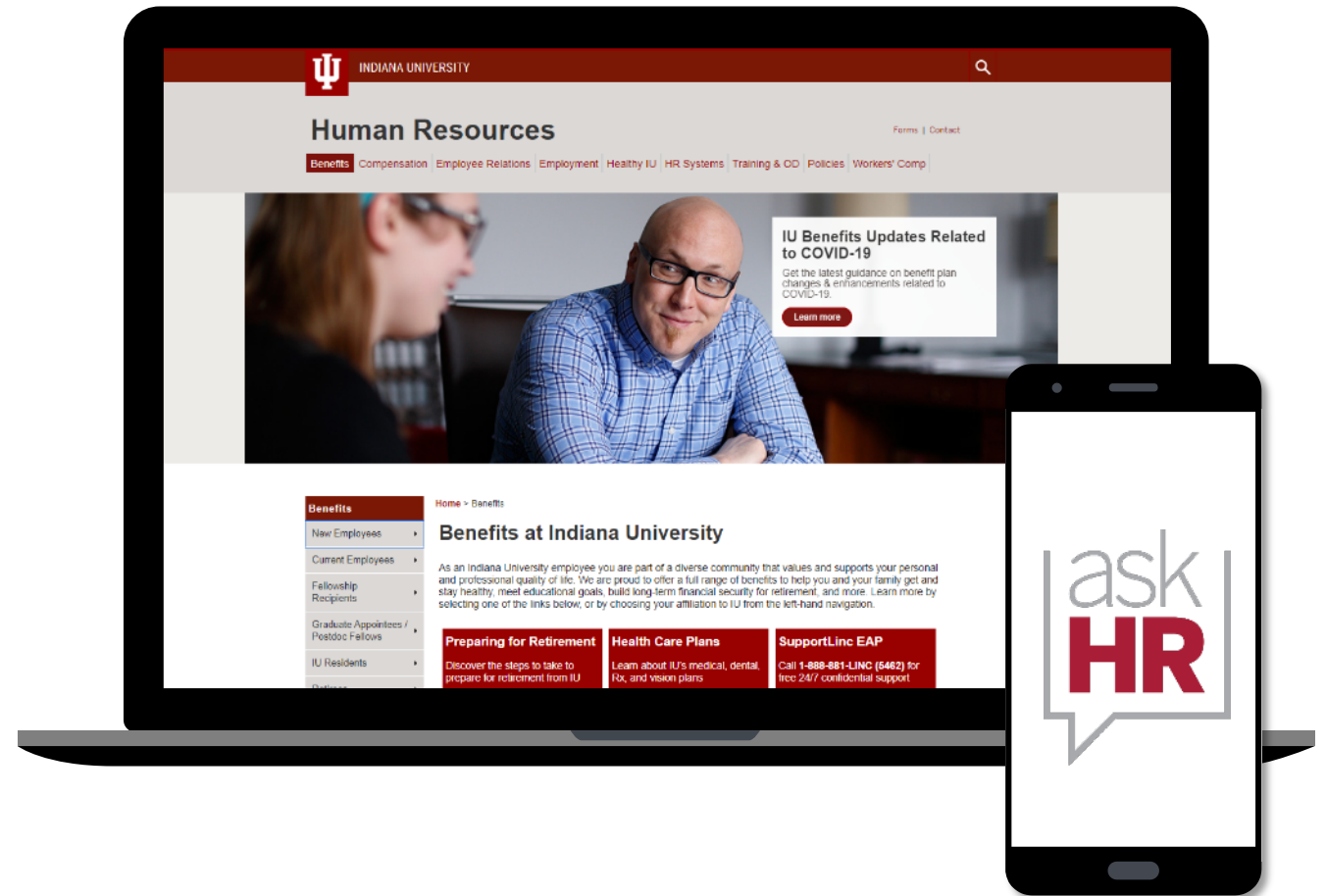
## IU Human Resources



AskHR Customer Care:

[askhr@iu.edu](mailto:askhr@iu.edu)

812-856-1234





Thank You!

Please enter all questions into the Q&A