

# HSA FAQ

This article provides an overview of health savings accounts (HSAs) by answering frequently asked questions.

## **General**

### **What is an HSA?**

An HSA is an individually-owned account that allows you to set aside pre-tax dollars for medical expenses.

To open an HSA, you must be enrolled in a high-deductible health plan (HDHP). Use the money in your HSA to pay for the plan's deductible, coinsurance, and other non-covered eligible expenses.

An HSA must be set up with a qualified custodian or trustee.

### **When is my HSA effective?**

If your HSA is established with the custodian after the first of the month, your HSA is effective the first of the following month.

Example: Your HSA is established with the custodian on January 15. Your HSA is effective February 1.

If your HSA is established with the custodian on the first of the month, your HSA is effective that same day.

Example: Your HSA is established with the custodian on March 1. Your HSA is effective March 1.

Important: Once your HSA is established, you must log in to your online account or the WEX benefits mobile app and agree to the terms and conditions. You will not be able to access your funds until 24 hours after this step has been completed.

You are able to use your HSA funds to be reimbursed for services back to the original effective date of your enrollment, even if it was with another custodian at that time.

### **Can I have multiple HSAs?**

You are able to contribute to more than one HSA, but the total of all HSA contributions cannot exceed the annual limit set by the IRS. See [Estimate your health savings account \(HSA\) contributions](#) for more information. If you have family coverage, you and your spouse can decide how to split the maximum annual contribution between your HSAs.

## **How can I update my payroll contributions?**

To update your payroll contributions, contact your employer.

## **When will my funds be available to use after they are deducted from my payroll?**

It can take up to seven business days from the date funds were deducted from your payroll for them to be posted to your account.

## **Requirements for participation**

### **Can I participate in both an HSA and a medical flexible spending account (FSA) or health reimbursement arrangement (HRA)?**

You cannot contribute to an HSA if you meet any of the following criteria:

- Covered under another health plan that is not an HDHP
- Claimed as a dependent on someone else's taxes
- Covered by Medicare (Part A and/or Part B), Medicaid, or TRICARE
- Covered under and eligible to receive reimbursements from another 213(d) plan (medical FSA or HRA with 213(d) eligible expenses)
- Sub S Corporation owner, spouse, or dependent
- Sole proprietor or 2% or more owner in a partnership, limited liability partnership, or member/owner of a limited liability corporation

### **Can I contribute to my HSA once I turn 65?**

You can continue contributing to your HSA once you turn 65 as long as you do not enroll in Medicare. Keep in mind you are automatically enrolled in Medicare Part A if you sign up for Social Security benefits. Your HSA will not be affected if your spouse enrolls in Medicare, but you as the primary accountholder do not. If you choose to enroll in Medicare, you will need to stop your HSA contributions, but can continue using funds in the account for eligible expenses. See [Health Savings Account \(HSA\) and age 65](#) for more information on eligibility. For specific questions on when to stop contributing, speak with a tax professional.

### **Can my spouse contribute to my HSA?**

Yes. If you are HSA eligible, you can receive contributions from an eligible individual or any other person, including an employer or family member.

## **Distributions**

### **Can I use my HSA funds for my spouse or tax dependents?**

You can use the funds for eligible expenses incurred by you as well as your legal spouse and tax dependents. You can use the funds for eligible expenses incurred by your legal spouse, regardless if you file taxes jointly. You can use the funds for eligible expenses incurred by your tax dependents, regardless if they are covered under your HDHP or a separate plan (HDHP or non-HDHP). The HSA coverage level (single or family) is based on the HDHP coverage level of the accountholder. The HSA coverage level only affects how much can be contributed, not whose eligible expenses funds can be used for on a tax-free

basis.

### **Can I combine my individual HSA with my spouse's individual HSA?**

No. If you open an HSA in your name, you cannot transfer the funds to an HSA owned by another individual. However, you can stop contributing to your account and instead contribute the family maximum to your spouse's HSA.

### **Fund management**

#### **I have funds in my interest-bearing account, so why is my benefits debit card declining?**

The debit card is only linked to the cash account. Consider raising your threshold so that more funds are kept in your cash account to cover your expenses. See [Growing your HSA funds through investments](#). It takes approximately 5-7 business days for funds to move from the interest-bearing account to the cash account and vice versa.

#### **What is the fair market value of my account?**

The fair market value is the total dollar amount of the cash account and any invested funds.

#### **How do I know if I am eligible for an HSA?**

To verify if you are eligible for an HSA, review [Determine your HSA eligibility](#).