

YOUR HSA and OTHER MEDICAL COVERAGE



MAXIMIZE YOUR SAVINGS WHILE ON MEDICARE

Health savings accounts (HSAs) are a great way to add horsepower to your retirement savings. Once you reach the age of 65, you are eligible to receive Medicare benefits. If you participate in Medicare, you cannot contribute to an HSA. However, your spouse can be on Medicare without disqualifying you from contributing. Regardless of your eligibility, you can use your HSA funds to pay for qualified medical expenses, tax free. If you choose to use your HSA funds for non-qualified medical expenses, you simply pay income taxes on that amount, much like an IRA or 401(k).

You will be automatically enrolled in Medicare Part A depending on the state you live in, or if you are receiving Social Security retirement payments. Check your state's rules at www.Medicare.gov. If you want to continue maximizing your savings by contributing to your HSA, you will need to:

- Postpone enrollment in Medicare
- Defer Social Security payments
- Maintain HSA-qualified health coverage

Once you are enrolled in any part of Medicare, you must pro-rate your HSA contributions for the months you were eligible to contribute. To determine your pro-rated contribution amount, use the formula below. You have until April 15 of the following year to contribute the pro-rated amount.

Annual contribution limit	+	Catch-up contribution (55+)	=	Total
	(plus)	\$1,000	(equals)	

Total from above/12 months	×	No. of months before Medicare effective date	=	Prorated contribution
	(times)		(equals)	

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YOUR HSA AND MILITARY BENEFITS

TRICARE and HSAs

The IRS does not allow those who have TRICARE benefits to contribute to an HSA. However, if you had an HSA prior to your military service, you can still use those unused funds for any current medical, dental or vision expenses.

Other VA medical benefits and HSAs

VA medical benefits only affect your ability to contribute to an HSA if you have actually received medical services at any point during the previous three months. An individual who is eligible for VA medical benefits, but does not receive any services during the preceding three months, is eligible to contribute to an HSA. However, receiving medical services will disqualify an individual from making HSA contributions for three months unless receiving treatment for a service-connected disability. Using VA benefits only for dental, vision, or preventive care is okay.

Example

John goes to the VA hospital on January 1. John is ineligible to contribute into his HSA for January, February and March, but can start contributing again in April as long as no other VA medical services are received during this time.

Thank you for serving our country.



Account mentors

We understand the significance of your benefits selection. Our account mentors are available every hour of every day to answer any additional questions you may have.

Call for a personal assessment today:
866.346.5800