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Employee Benefits – Question of the Month

November 2018

Q: We offer two health plans, one of which is an HSA-eligible high deductible health plan. One of our employees wants to elect employee-only coverage on the HDHP and contribute the full family contribution to the HSA. Is this possible? Her husband is enrolling himself and their children in his employer's health plan.

A: In general, the 2019 contribution limits for health savings accounts (HSAs) are \$3,500 for individual coverage and \$7,000 for family coverage. In order to contribute the full family limit of \$7,000 in 2019, either the employee or her spouse must have family coverage under an HSA-qualifying high deductible health plan (HDHP). "Family coverage" is defined to include employee+children coverage.

Since the employee doesn't have family coverage, the question is whether the *spouse* has the necessary coverage. While the spouse's HR department should be able to answer this question, the basic requirements for a HDHP to be considered HSA-eligible are:

- The individual deductible must be at least \$2,700 (note that while it is frequently stated that the individual deductible only has to be \$1,350, it actually has to be higher due to some idiosyncrasies in the rules).
- The plan cannot reimburse any medical expenses (other than certain preventive services such as annual exams and immunizations) until after the deductible is met. (In other words, it cannot offer copays for prescription drugs or non-preventive office visits.)

If the spouse has HSA-eligible coverage, the couple can, combined, contribute up to the full family contribution limit. They can split the amount contributed between themselves however they see fit. Note that if either of them is over 55, he or she would be eligible to make "catch-up contributions" of up to \$1,000 annually.

One final thing to keep an eye out for is that neither spouse can have "disqualifying coverage," which in most cases would be a Health FSA or HRA that could be used to pay medical expenses that apply toward the deductible. Individuals who have disqualifying coverage are deemed ineligible to contribute to an HSA (including, in many cases, when one spouse has an FSA or other account that could be used to pay for the other spouse's pre-deductible expenses).

For additional questions you might want to check out this handy [HSA Guidebook](#) from Health Equity.

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