

HSA Contribution Limits

	2007	2008
<p>What is the maximum contribution for individual health plans?</p>	<p>\$2,850, regardless of deductible.</p> <p>If an individual does not stay in the HSA-eligible plan 12 months following the last month of the year of the first year of eligibility, the amount which could not have been contributed will be included in income and subject to a 10 percent additional tax.</p> <p>Example: You established a qualified health plan in December 2007 and contributed the maximum allowed. Then in January 2008 you contributed the maximum contribution for that tax year. Scenario 1: You maintained coverage through December 31, 2008. You are eligible for the maximum contribution for both 2007 and 2008. Scenario 2: You ended coverage April 1, 2008. Eleven-twelfths of the December 2007 contribution must be treated as income, plus a 10% penalty on that amount must be paid. Nine-twelfths of the funds deposited in January must be taken out of the account as an excess contribution (and treated as income) but no 10% penalty is incurred.</p>	<p>\$2,900, regardless of deductible.</p> <p>If an individual does not stay in the HSA-eligible plan 12 months following the last month of the year of the first year of eligibility, the amount which could not have been contributed will be included in income and subject to a 10 percent additional tax.</p> <p>Example: You established a qualified health plan in December 2008 and contributed the maximum allowed. Then in January 2009 you contributed the maximum contribution for that tax year. Scenario 1: You maintained coverage through December 31, 2009. You are eligible for the maximum contribution for both 2008 and 2009. Scenario 2: You ended coverage April 1, 2009. Eleven-twelfths of the December 2008 contribution must be treated as income, plus a 10% penalty on that amount must be paid. Nine-twelfths of the funds deposited in January must be taken out of the account as an excess contribution (and treated as income) but no 10% penalty is incurred.</p>
<p>What is the maximum contribution for family health plans?</p>	<p>\$5,650, regardless of deductible.</p> <p>See above for exceptions.</p>	<p>\$5,800, regardless of deductible.</p> <p>See above for exceptions.</p>

<p>Are contributions prorated by the number of months the health plan is in place?</p>	<p>Pro-rating of contributions occurs when the status of an HSA changes from family to single, or if the HSA qualified health plan is terminated.</p> <p><u>Examples:</u></p> <p>Coverage Beginning Mid-year If you have a new HDHP and coverage begins in July, 2007, you will be eligible to contribute the maximum amount as determined by the IRS (\$2,850 for individual coverage and \$5,650 for family coverage.)</p> <p>Health Plan Status Change If you have family coverage beginning January 1, 2007 and switch to single coverage July 1, 2007, you will be eligible to contribute 6/12 of \$5,650 plus 6/12 of \$2,850 or \$4,250.</p> <p>HSA Qualified health plan terminated You have a qualified family health plan January 1, 2007 and terminate coverage April 1, 2007. You are eligible to contribute 3/12 of \$5,650 or \$1,412.50.</p>	<p>Pro-rating of contributions occurs when the status of an HSA changes from family to single, or if the HSA qualified health plan is terminated.</p> <p><u>Examples:</u></p> <p>Coverage Beginning Mid-year If you have a new HDHP and coverage begins in July, 2008, you will be eligible to contribute the maximum amount as determined by the IRS (\$2,900 for individual coverage and \$5,800 for family coverage.)</p> <p>Health Plan Status Change If you have family coverage beginning January 1, 2008 and switch to single coverage July 1, 2008, you will be eligible to contribute 6/12 of \$5,800 plus 6/12 of \$2,900 or \$4,350.</p> <p>HSA Qualified health plan terminated You have a qualified family health plan January 1, 2008 and terminate coverage April 1, 2008. You are eligible to contribute 3/12 of \$5,800 or \$1,450.</p>
<p>What is the catch-up contribution if I am 55 or older?</p>	<p>\$800</p>	<p>\$900</p>
<p>Can I roll over unused funds from an FSA or HRA?</p>	<p>Yes, regulations now allow you to roll over unused funds from an FSA or HRA on a one-time basis. Please talk to your employer or third-party administrator for specific details.</p>	<p>Yes, regulations now allow you to roll over unused funds from an FSA or HRA on a one-time basis. Please talk to your employer or third-party administrator for specific details.</p>
<p>Can I transfer funds from an IRA to my HSA?</p>	<p>Yes, regulations allow a one-time rollover from an IRA to an HSA, up to the annual HSA contribution maximum. Prior to transferring funds, please consult your tax advisor to discuss the benefits and tax reporting requirements.</p>	<p>Yes, regulations allow a one-time rollover from an IRA to an HSA, up to the annual HSA contribution maximum. Prior to transferring funds, please consult your tax advisor to discuss the benefits and tax reporting requirements.</p>