

Fact Sheet



Account Type	Custodial Account	
Description	A custodial account established for the purpose of paying qualified medical expenses of the account beneficiary who is covered under a high-deductible health plan (HDHP).	
Must be paired with a health plan	Yes. A qualified HDHP must be in force before an HSA can be established.	
Who is eligible?	Individuals who meet all of the following requirements: (1) Covered under an HDHP on the first day of the month (2) Not covered by any other health plan that is not an HDHP (3) Not entitled to benefits under Medicare (4) Not claimed as a dependent on another person's tax return. There is no restriction on group size.	
Ownership	Individual/Employee	
Portable	Yes	
Funding/Contribution	Employee and/or employer/anyone	
Do funds roll over?	Yes. Unused funds in the HSA remain in the account from year to year.	
Minimum deductible amounts for HDHP	<u>2009</u> Individual — \$1,150 Family — \$2,300	<u>2010</u> Individual — \$1,200 Family — \$2,400
Annual out-of-pocket limits for HDHP	<u>2009</u> Individual — \$ 5,800 Family — \$11,600	<u>2010</u> Individual — \$ 5,950 Family — \$11,900
Annual HSA contribution limits	<u>2009</u> Individual — \$3,000 Family — \$5,950	<u>2010</u> Individual — \$3,050 Family — \$6,150
Catch-up contribution for individuals 55 and over	<u>2009</u> \$1,000	<u>2010</u> \$1,000
Eligible medical expenses	Qualified medical expenses are defined in Section 213(d) of the Internal Revenue Code.	
Non-eligible medical expenses	10% tax penalty and income tax prior to Medicare entitlement. If 65 years or older, funds can be withdrawn for non-medical expenses without tax penalty.	
Tax advantages	Employee: (1) Pre-tax or tax-deductible contributions (2) Tax deferred growth (3) Tax-free distributions on qualified medical expenses. Employer: Contributions are tax-deductible.	
Subject to COBRA	No	
HSA distributions include	(1) Health insurance while receiving unemployment compensation (2) Qualified Long-Term Care insurance (3) Once entitled to Medicare benefits any insurance (including Medicare Part D) other than a Medicare supplement policy (4) COBRA premiums.	



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