

Health Savings Account (HSA)

A health Savings Account (HSA) is a tax-exempt trust or custodial bank account with a qualified HSA trustee (bank) to pay or reimburse qualified medical expenses you incur.

[List of qualified expenses for HSA's.](#)

You must be enrolled in a High Deductible Health Plan (HDHP) to qualify for an HSA. For those who elect a HDHP, and you are eligible for an HSA, Murray State will contribute **up to \$400/single and \$800/Family**. New hires after January 1st will have a prorated employer contribution based on the effective date of your benefits. Murray State University will continue to cover the fees associated with the account, while eligible on MSU's group plan. Employee contributions can be stopped, started or changed at the beginning of each quarter through the Benefitfocus portal.

All contributions you make to the HSA account are tax-free. Under federal government rules, you can contribute in 2019 up to \$3,500 for single coverage, \$7,000 for family coverage, plus an additional \$1,000 for those 55 years and older in 2019. MSU's contributions count toward the account's annual limit. Partial year tax rules also apply. IRS guidelines apply if you are 65 or older and enrolled in Medicare.

What are the benefits of an HSA?

- ◆ You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you do not itemize your deductions on Form 1040.
- ◆ Contributions to your HSA made by your employer may be excluded from your gross income. For 2019 the maximum contribution (employee + employer) is \$3,500 and \$7,000 for family.
- ◆ The contributions remain in your account from year to year, allowing you to save for future medical expenses.
- ◆ The interest or other earnings on the assets in the account are tax free.
- ◆ Distributions may be tax free if you use the funds to pay qualified medical expenses.
- ◆ An HSA is "portable" so it stays with you if you change employers or leave the work force.

If you elect the qualified High Deductible Health Plan (HDHP)/Health Savings Account (HSA) option through Murray State's 125 Cafeteria Plan, **Murray State will provide BenefitWallet with data and information requested by BenefitWallet and reasonably needed by BenefitWallet in order to open your BenefitWallet HSA**, including accepting the BW HSA terms and conditions and rate and fee schedule on your behalf and agreeing to receive account statements and other account documents electronically.