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 1 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 2022 up to \$3,850 for single coverage, \$7,750 for family coverage, plus an additional \$1,000 for those 55 years and older in 2023. MSU's contributions count toward the account's annual limit. Partial-year 3 the maximum contribution (mployee emp loyer) is \$3,850 and \$7,750 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.

Notice: According to IRS guidelines, if you enroll in one of the HSA HDHP Plans, you cannot also enroll in Murray State's FSA plan. If your spouse works at Murray State and elects coverage from the PPO plan, the spouse cannot elect the FSA. Additionally, regardless of where the spouse is employed, the IRS does not allow the family to have FSA and HSA at the same time. Employees should consult with their tax advisors for additional information.