

## **OUHSD HSA FAQ**

### **1. Who is impacted?**

Seventy (70) OUHSD employees currently (Jan/2024) have district paid HSA qualifying health plans

### **2. What is an HSA?**

HSA is a Health Savings Account that puts aside money on a pre-tax basis to pay for qualified medical, dental, or vision expenses (as defined by the IRS). By using untaxed dollars in an HSA to pay for deductibles, copays, coinsurance, and other qualified expenses, you can lower your overall health care cost.

### **3. Why does the district deposit money into an employee HSA plan for some health plans?**

Some high-deductible health plan costs are considerably lower than other low-deductible health plan costs, which results in a cost savings to the district. Employer funded HSA accounts are provided for one Anthem (CDHP PPO 90) and four Kaiser (CDHP \$1600, CDHP \$4500 single, two part, or family) high deductible health plans. For employees that selected these high deductible plans, the district agreed to share the savings with employees by making an HSA account deposit for that employee equal to 40% of the realized savings.

### **4. What is the current problem?**

IRS rules govern HSA contribution dollar amounts and the maximum allowable. For 2024, the maximum for employees under 55 years old is \$4150 for employee only or \$8300 for employee + family. For employees 55 years or older, the total is \$5150 for employee only and \$9300 for employee + family.

HSA contributions beyond these IRS limits can be and often are subject to additional taxes, please consult your tax advisor for specific information.

### **5. What does the collective bargaining agreement (contract) say about this?**

17.1 The District shall provide a health insurance program through Coastal Schools Employee Benefit Organization (CSEBO) or successor organization.

17.1.1 The Federation and the District shall have equal representation on the CSEBO (or successor organization) Executive Board. The Federation shall have the right to appoint a representative of their choosing.

17.1.2 If available, the District shall include a Health Savings Account (“HSA”) plan for each type of health plan offered to unit members (e.g., Kaiser, Anthem PPO, Anthem HMO). If an employee selects an HSA version of a plan, the employee will receive 40% of any savings achieved by their choosing the HSA version of the plan.

17.1.3 Employees shall not be required to make a premium contribution toward any Kaiser benefit plans. For all non-Kaiser plans, the employee contribution toward benefit premiums shall not be increased for the duration of this contract.

**6. Is there a solution to the HSA contribution amounts in excess of the IRS limits that will improve an employee’s tax liability?**

Both the Kaiser and Anthem CDHP HSA health plans have ***HSA Distribution Request*** forms that allow you to request a cash disbursement to you from your HSA account. This will allow you to reduce your HSA balance within IRS guidelines for your age and family status.

Kaiser Permanente

[Health Savings Account \(HSA\) Distribution Request/Account Closure Form](#)

Anthem

[Health Equity Distribution of Excess HSA Contribution Form](#)