

Health Savings Account

Administered by Wex



Willmar Public Schools is continuing to offer the option for Health Savings Accounts (HSA) for our employees participating in the HDHP. HSAs are special tax-exempt trusts to be used to pay and/or reimburse you for qualified medical, dental and vision expenses and/or use as retirement savings. Any unused funds will rollover from year to year

A Health Savings Account (HSA) is a tax-advantaged personal savings account that works with an HSA-compatible high-deductible health plan. The District's \$3,500 -100% and \$6,350-100% plans are both qualified high deductible health plans and can be paired with an HSA. The HSA balance can be used to pay for qualifying medical expenses during the year or saved for retirement.

2027	
HSA annual contribution limits	Single: \$4,400 Family: \$8,750
HSA catch-up contribution Ages 55+	\$1,000

There are many benefits of an HSA, such as any contributions are tax free, and any balance in the HSA belongs to the employee. Because of the favorable tax status, other eligibility requirements apply. An employee cannot be covered under any other non-HSA qualified health insurance, such as a spouse's plan or Medicare and cannot be claimed as a tax dependent on someone else's tax return.

HRA/VEBA: Wex

HSA's & VEBA's are funding vehicles which provide a way for employees to pay for healthcare, dental and vision expenses on a tax-free basis. VEBA is an available option with all three of the District's health plan offerings. HSA is only available with Plan #2 (\$3500-100%) and Plan #3 (\$6350-100%). While VEBA's and HSA's are similar in function, there are unique differences and features between them. Please review the information on the next page when considering which fund is right for you.

HSA/VEBA: Wex	
District Contribution to HSA/VEBA	<u>For District Contribution information. Please refer to your master agreement</u>

Differences in HSA and VEBA

HSA	VEBA
Allows Employee Contributions	Employer Contributions Only
Tax-Dependents Only	Kids up to age 26
Dependents do NOT need to be Covered on the Plan	Dependents Must be Covered by Group Health Plan
No MnSure Plan Premiums	Allows Individual Plan Premiums
No Medigap Plans	Allows Medigap Plans
Must have "Qualified" Plan	No Plan Requirement
No Medicare/TriCare	Secondary Coverage Okay
Can be Liquidated	Requires Medical Spend-Down
Makes FSA Limited	Allows Full FSA
Both Funds Allow Transition to Beneficiary Upon Death	

