



CITY OF NASHUA

Payroll Deduction/Account Authorization for HSA

Tax Year 2026

When enrolled in a High Deductible Health Plan, you may have the City of Nashua deduct Health Savings Account employee contributions from your pay in addition to the annual employer contribution detailed below.

Please review the following carefully before electing to set up an HSA Account:

1. Annual Contribution Limits

Plan Membership	2026 Tax Year Limit	City Contribution (if applicable)	Employee Max Contribution Limit
Single	\$ 4,400	\$ 1,500	\$ 2,900
Family (2 or more)	\$ 8,750	\$ 3,000	\$ 5,750
NOTE: IRS Catch-up provision for 55+ years of age is \$1,000 per year in addition to above amounts.			

2. HSA Eligibility Requirements

If **you** do not meet all of the following eligibility requirements, federal regulations **prohibit** you from opening an HSA:

- Not covered under another qualified high deductible health plan on the first day of the month.
- Not covered by any other health plan, including spouse's health insurance.
- Not covered by spouse's full-purpose Health Care Flexible Spending Account (FSA).
- Not enrolled in any part of **Medicare** (A, B, C, D) or **Tricare**.
- Have not received Veteran's health benefits in the past 90 days.
- Not claimed as a dependent on another person's tax return.

3. Open a Health Savings Account

Required even if not opting for employee contributions in order to receive the City Contributions. City Contributions cannot be deposited if your HSA account is not open at time of payment in July & Oct.

City Contribution have to made in the current tax year not in the following tax year. If your account is not open as of 12/31 of the current tax year you may not be able to receive the City Contributions. Create your online account with Anthem. Your account will officially open when you pass the CIP process.

4. HSA CIP (Customer Identification Program) Process

CIP process is a mandatory federal requirement (USA PATRIOT Act) where banks verify your identity by checking your Name, Address, Date of Birth, and Social Security Number when you open an HSA Account. If your details match, the account opens; if not, you'll get a notification asking for documents (like a driver's license, utility bill) via your portal, email, or mail to confirm your identity before your account fully activates, ensuring security.

Auto-Enrollment Disclosure: If you elect the qualified High Deductible Health Plan (HDHP)/Health Savings Account (HSA) option through the City of Nashua's Internal Revenue Code Section 125 Cafeteria Plan, the City of Nashua will provide Anthem with data and information requested by Anthem and reasonably needed by Anthem in order to open your Anthem HSA, including accepting the Anthem HSA terms and conditions and rate and fee schedule on your behalf and agreeing to receive account statements and other account documents electronically.

5. Over contributing to your HSA

It is your responsibility to monitor your contributions along with the City Contributions to ensure you do not exceed the Federal Maximum. Any contributions made by you outside payroll deductions will go toward the maximum.

If you exceed the Federal Maximum you will be responsible to pay taxes on the amount overpaid.

When HSA contribution elections are made through the benefits portal, you authorize Payroll Deductions (employee contributions) and agree to the below statements: (Section 125 pre-tax deductions)

I affirm, I am enrolled in the City of Nashua's HDHP with HSA Option, have no other medical coverage, am not participating in a Health Care FSA (see #2c above) and not enrolled in any part of Medicare (A, B, C, D) or Tricare.

I affirm, I am **eligible** to open and contribute to a health savings account. I hereby request and authorize the City of Nashua to deduct from my pay the identified deduction and to forward it to my health savings account.

I understand it is my responsibility to manage contributions (not to exceed Federal tax limits) in accordance with Federal guidelines based on my eligibility as well as my dependents.

I also understand that using HSA funds for expenses other than those deemed qualified or exceeding the Federal 2026 tax limit may subject me to tax penalties.