

# Health Savings Account (HSA)

## Frequently Asked Questions

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This guide answers some of the most frequently asked questions for the Health Savings Account (HSA). More resources are available on the [CU Benefits website](#), or you can contact a benefits professional by email at [benefits@cu.edu](mailto:benefits@cu.edu), or by phone at 303-860-4200, option 3, during regular business hours.

### Health Savings Account (HSA)

#### Q. When do I need to enroll in the HSA?

A. You may enroll during your new hire enrollment, Open Enrollment or any other time during the year. The HSA is flexible, and you can enroll, cancel or adjust your contributions at any time during the year as long as you are enrolled in the CU High Deductible Health Plan. *Reminder:* The HSA must have an effective date on or prior to the date of the claim in order for the claim to be reimbursable with HSA funding, open your account when enrolling in your HDHP Plan.

#### Q. Who is eligible to enroll in an HSA?

A. To enroll in an HSA, you must be enrolled in CU Health Plan – High Deductible. You cannot be enrolled in Medicare or TRICARE, be claimed as a dependent on someone else's previous year tax return, and you cannot have another active medical plan that is not an IRS qualified High Deductible plan.

#### Q. How much do I need to contribute?

A. It depends on you. HSA funds never expire and carry over year after year so you may choose to save up to the yearly limit or just the expected out-of-pocket health care expenses for this year. HSA savings are a great strategy for retirement. View the contribution limits by visiting the [Employee Services HSA website](#) and for further information view the [IRS Publication 969 website](#).

#### Q. Is there a list of eligible expenses?

A. Eligible health care expenses can be viewed by visiting the [IRS Publication 502 website](#), [IRS Publication 969 website](#) or our plan administrator's webpage [Eligible Expenses - Optum Bank website](#).

#### Q. How do I pay for my qualified medical expenses?

A. You can use your Optum Bank debit Mastercard® when accessing services or after you receive a bill. You can pay bills online or by using the Optum Bank mobile app, and you can reimburse yourself for a payment you have made. Visit the [Optum Bank website](#) to learn more.

#### Q. Can I use my HSA to reimburse my spouse and children's medical expenses if they are not enrolled in my health insurance?

A. Yes, the HSA does not require your tax dependents to be covered by your health insurance plan. However, you cannot use these funds for non-qualified dependents such as domestic partners or their children.

#### Q. Can I use my HSA to reimburse previous year's medical expenses?

A. You must incur your qualified medical expenses **after** you have established your HSA. You can reimburse yourself for those expenses at any time.

#### Q. What if I do nothing during the HSA Open Enrollment period?

A. If you take no action, your current annual HSA contribution election will carry over to the new calendar year and be divided over 12 months.

#### Q. How do I make changes midyear/when can I make changes to my contributions?

A. You can enroll, cancel or make changes to your contribution at any time. For assistance with these changes, please contact a benefit professional by calling 303-860-4200, opt 3, or by emailing [benefits@cu.edu](mailto:benefits@cu.edu).

**Q. What happens if I do not spend all the money at the end of the year?**

**A.** Any remaining balance automatically rolls over year after year. HSA funds never expire even if you switch employers. The account is portable and becomes an individual account if you leave your employer and may be transferred to another HSA with a new employer.

**Q. Do I need to keep receipts when spending my HSA funds?**

**A.** Yes. Although Optum Bank will not request any documentation, the IRS may audit you. Keep all your receipts or any other documents to substantiate your claims, such as the Explanation of Benefits (EOB) from your insurance companies.

**Q. What do I do if I have an expected expense, how do I ensure I have enough funds in my HSA?**

**A.** You may make lump sum contributions at any time by submitting the [HSA Authorization Form](#) to Employee Services.

**Q. What can I do if I need \$500 tomorrow for a qualified medical expense?**

**A.** If you do not have enough set aside in cash in your HSA, you can pay for your qualified medical expense out-of-pocket now and reimburse yourself later, once you have enough money in your HSA. You can contribute a lump sum at any time by submitting the HSA authorization form to Employee Services.

**Q. I was enrolled in an FSA the previous plan year and have signed up for an HSA for the first time during Open Enrollment. Why don't I see my contributions at the beginning of the plan year?**

**A.** [CU's Health Care Flexible Spending Account \(HCFSA\) plan document](#) and IRS regulations stipulate that if there is any balance in an employee's HCFSA on the last day of the plan year (June 30<sup>th</sup>), the participant must wait three calendar months to participate in a Health Savings Account (HSA).

If there is a balance in the HCFSA account after June 30<sup>th</sup>, you will be enrolled in the HSA effective October 1<sup>st</sup>, for the October monthly pay cycle.

**Q. Can I keep my HSA if I no longer have a qualifying High Deductible plan?**

**A.** If you no longer have a qualifying High Deductible health plan, you cannot make additional contributions. However, you do not have to close your account, and you can continue using the money in your HSA even in retirement.

**Q. What happens if I switch jobs and leave CU or am laid off/furloughed?**

**A.** The HSA is yours to keep, and the funds are accessible. You may keep your account with Optum Bank, and as long as you have an IRS qualified High Deductible Health plan, you may continue to make after-tax contributions. You may also transfer the funds to your new employer's account. Please check with Optum Bank for more information.

**Q. Can I cash out my HSA?**

**A.** Yes. You can choose to cash out your HSA any time, but if you are not using the money to pay for qualified medical expenses, your withdrawal will be subject to taxes and may be subject to penalties.

**Q. What happens to my funds if I retire and have not used all my HSA funds?**

**A.** The money is always yours, so you can still spend the HSA funds on qualified expenses. Once you reach 65, you may use the funds for other expenses. You will need to pay taxes to not be penalized.