



# HSA Eligibility and Contribution Worksheet - Definitions and Instructions

**HDHP Defined.** The quickest and easiest method to determine if you are covered by a HDHP is to ask your insurance provider. Generally, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses.

- Self-only coverage.** Specifically, for self-only coverage, an HDHP has an annual deductible of at least \$1,300 (2018) and annual out-of-pocket expenses required to be paid (deductibles, co-payments and other amounts, but not premiums) not exceeding \$6,650 (2018 limit).
- Family coverage.** For family coverage, an HDHP has an annual deductible of at least \$2,600 (2018) and annual out-of-pocket expenses required to be paid not exceeding \$13,300 (2018 limit). In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. Amounts are indexed for inflation.
- Preventative care.** A plan does not fail to qualify as an HDHP merely because it does not have a deductible (or has a small deductible) for preventive care (e.g., first dollar coverage for preventive care).
- Permitted insurance defined.** If you are covered under a HDHP, you are not allowed to also be covered under another health plan, other than certain "Permitted" types of insurance. Permitted insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization. In addition to permitted insurance, an individual does not fail to be eligible for an HSA merely because, in addition to an HDHP, the individual has coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care. If a plan that is intended to be an HDHP is one in which substantially all of the coverage of the plan is through permitted insurance or other coverage as described in this answer, it is not an HDHP. You are covered by another health plan if you are covered under a health Flexible Spending Account (FSA) or Health Reimbursement Account (HRA) unless it's a *Limited Purpose FSA or HRA*. You are also considered covered under another health plan if your spouse is covered under a FSA or HRA.

**Sum of The Months Calculation.** Use this chart if you were not eligible for an HSA for the entire year and were not eligible on December 1 of the year.

**Example.** Jim is covered by a self-only HDHP and eligible for an HSA in 2018 but turns 65 on July 2, 2018, and enrolls in Medicare. Jim is no longer eligible for an HSA as of July 1, 2018. For 2018, Jim was eligible for 6 months of the year. The federal HSA limit for Jim is \$4,450 (\$3,450 single limit plus a \$1,000 catch-up). Accordingly, Jim's calculation is  $6/12 \times \$4,450 = \$2,225$  Jim's maximum contribution for 2018 is \$2,200. The chart below assists in the calculation.

Sum of the Months Contribution Worksheet		Individual	Family
<b>A</b>	<b>Federal Limit</b> (Choose individual or family column based on whether you have self-only or family HDHP coverage.)	\$3,400 (2017) \$3,450 (2018)	\$6,750 (2017) \$6,900 (2018)
<b>B</b>	<b>Catch-Up Contribution</b> – Add \$1,000 if over 55 <sup>1</sup>		
<b>C</b>	<b>Add A +B</b> = Total Federal Limit		
<b>D</b>	<b>Divide C by 12</b> = Monthly Contribution Eligibility		
<b>E</b>	<b>Insert # of Months</b> you were eligible for an HSA in the Year <sup>2</sup>		
<b>F</b>	<b>Multiply D x E</b> = Total Eligible Amount Based on Sum of the Months		

<sup>1</sup> If both you and your spouse are between 55-65 and HSA eligible (e.g. not enrolled in Medicare), you each get a catch-up contribution. You cannot contribute two catch-up contributions into the same HSA, you must make the contributions into each spouse's respective HSA.

<sup>2</sup> HSA contribution amounts are determined on a monthly basis and then aggregated. To determine how much you may contribute, you must determine the number of months you were covered by a HDHP and otherwise eligible. Count months that you were eligible as of the first day of that month and every day of the month.

**Need More Help?** You are encouraged to talk to a tax professional, or another professional to help determine your eligibility and contribution amount. [IRS Notice 2004-50](#) and [IRS Notice 2004-2](#) both provide examples and more detail on eligibility; however, some of the contribution questions are outdated.