

# FREQUENTLY ASKED QUESTIONS ABOUT YOUR PNC BENEFIT PLUS HEALTH SAVINGS ACCOUNT



Health Savings Accounts (HSAs) are designed to help you save for qualified medical expenses on a tax-advantaged basis. Additionally, you have the option to invest in a variety of mutual funds and grow your dollars tax-free upon reaching certain minimum balance requirements and withdraw your dollars tax-free as long as you use them for qualified medical expenses.<sup>1</sup>

## HSA Eligibility

### **Q** Who is eligible for a Health Savings Account?

Eligible individuals are those who are:

- Covered by an HSA-qualified High Deductible Health Plan (HDHP)
- Not covered by other health insurance that provides the same benefits also covered by your HDHP
- Age 18 or older
- Not claimed as a dependent on someone else's tax return
- Not enrolled in Medicare

### **Q** How do I know if my Health insurance plan is a qualified HDHP?

Various factors specified by the Department of Treasury, such as deductible amount and annual out-of-pocket expenses, help to determine whether an insurance plan is a qualified HDHP. To find out if your insurance plan is a qualified HDHP, contact your employer if applicable.

### **Q** Can I use my HSA to pay for medical expenses incurred before I set up my account?

No. You cannot be reimbursed for qualified medical expenses incurred before your account is established. We recommend that you establish your account as soon as possible.

### **Q** Does the HDHP have to be in my name to open an HSA?

No. The HDHP does not have to be in your name. As long as you have coverage under the HDHP, you can be eligible for an HSA (assuming you meet the other eligibility requirements for contributing to an HSA). You can still be eligible for an HSA even if the HDHP is in your spouse's name.

### **Q** I don't have health insurance. Can I get an HSA?

Unfortunately, you cannot establish and contribute to an HSA unless you have coverage under an HDHP.

### **Q** I'm on Medicare. Can I have an HSA?

You're not eligible for an HSA after you've enrolled in Medicare. If you had an HSA before you enrolled in Medicare, you can keep it. However, you cannot continue to make contributions to an HSA after you enroll in Medicare.

### **Q** Does my income affect whether I can have an HSA?

There are no income limits that affect HSA eligibility.

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## HSA Contributions

### Q When can I start contributing to my HSA?

You may begin contributing to your HSA on the effective date of your HDHP coverage.

### Q How much can I contribute to my HSA?

The Department of the Treasury establishes limits on annual contributions to these accounts that may change each year. To find the most up-to-date information, please visit the [IRS Publication 969](http://www.irs.gov/pub/irs-pdf/p969.pdf) or <http://www.irs.gov/pub/irs-pdf/p969.pdf>.<sup>3</sup>

### Q Will I be notified if I've exceeded my allowable contribution amount?

Yes. You will receive notice stating that you are attempting to exceed the IRS allowable contribution limit.



### Q Who can contribute to my HSA?

Contributions to your HSA can be made by your employer, by you or by both. All contributions are aggregated to determine whether you contributed the maximum allowed.

### Q I'm over the age of 55. Can I make "catch-up" contributions?

Yes. Individuals age 55 and older who are covered by an HDHP and have an HSA can make "catch-up" contributions each year in amounts set by the Department of the Treasury. Please visit [IRS Publication 969](http://www.irs.gov/pub/irs-pdf/p969.pdf) (available at <http://www.irs.gov/pub/irs-pdf/p969.pdf>) for the most up-to-date information.

### Q Can couples establish a "joint" account and both make contributions to the account, including "catch-up" contributions?

"Joint" HSA accounts are not permitted. Each spouse should consider establishing an HSA in his or her own name. This allows each of you to make catch-up contributions when you reach the age of 55.



## Qualified Expenses

### Q Does my HSA pay for the same things as regular insurance?

HSA funds can only be used to pay for qualified medical expenses.<sup>1</sup>

### Q How do I know what is included as a "qualified medical expense"?

You're responsible for deciding whether an expense is a "qualified medical expense" and being familiar with what qualified medical expenses are by reviewing a partial list provided in [IRS Publication 502](http://www.irs.gov/pub/irs-pdf/p502.pdf) (available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>). You should also keep your receipts in case you need to justify your expenditures or decisions during an audit.<sup>2</sup>

### Q Should I keep my receipts?

Yes. You should keep receipts in the event of an audit — you can use the Expense Tracker tool in the PNC Benefit Plus Consumer Portal or mobile app to warehouse your receipts and simplify your record-keeping.<sup>4</sup>

### Q What happens if I use HSA funds for nonqualified expenses?

If HSA funds are used for expenses other than qualified medical expenses, the amount withdrawn will be subject to income tax, and individuals who are not disabled or over age 65 will also be subject to a tax penalty.<sup>2</sup>

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### Q Can I use the money in my HSA to pay for medical care for a family member?

Yes. You may withdraw funds to pay for the qualified medical expenses of yourself, your spouse or a dependent without tax penalty.<sup>2</sup>

## Additional HSA Questions

### Q What happens to the money in my HSA if I lose my HDHP coverage or enroll in Medicare?

Funds deposited into your HSA remain in your account and automatically roll over from one year to the next. You may continue to use the HSA funds for qualified medical expenses. You are no longer eligible to contribute to an HSA for months when you are not covered by an HDHP or because you enrolled in Medicare.

### Q What happens to the money in my Health Savings Account after I turn age 65?

Once you turn age 65, you can continue to use your account tax-free for out-of-pocket medical expenses. You can also use your account to pay for things other than qualified medical expenses. If used for other expenses, the amount withdrawn will be taxable as income but will not be subject to any other tax penalties.<sup>2</sup>

If you have retiree health benefits through your former employer, you can also use your HSA to pay for your share of retiree medical insurance premiums. The one expense you cannot use your HSA for is to purchase a Medicare supplemental insurance or “Medigap” policy.



## Ready to Help

For more information on your Health Savings Account options, please visit [pnc.com/benefitplus](http://pnc.com/benefitplus), call PNC BeneFit Plus Consumer Services at **844-356-9993** or contact your employer.

<sup>1</sup> To view a partial list of qualified medical expenses, see IRS Publication 502 available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>.

<sup>2</sup> PNC does not provide legal, tax or accounting advice. Consult your tax advisor about tax benefits applicable to Health Savings Accounts.

<sup>3</sup> To review annual IRS contribution limits for HSAs, please see IRS Publication 969 or visit <http://www.irs.gov/pub/irs-pdf/p969.pdf>.

<sup>4</sup> Standard message and data rates may apply.

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