

# Health Savings Account Eligibility Information

A Health Savings Account, or HSA is a tax-advantage account that works together with HSA compatible health care plans. Funds within the account may be used to pay for current or future eligible medical expenses. Read on to find out if an HSA will work for you!

## **What are the Details of an HSA?**

An HSA is a special savings plan authorized by the federal government for consumers who qualify to pay so-called first dollar medical expenses (i.e. the annual deductible on your health insurance plan). This account is similar to an IRA account, but designed specifically for covering qualified medical expenses for the person who establishes the account and his or her dependents.

## **Who is Eligible?**

To be eligible and qualify for an Individual or a Family HSA, you must meet the following requirements.

- You must be covered under a high deductible health plan (HDHP) for individuals or families on the first day of the month.
- You have no other health coverage except permitted coverage.
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on another person's tax return.
- Under the last-month rule, you are considered to be an eligible individual for the entire year if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers).

**Please consult a tax advisor for additional information.**