

Health Savings Account (HSA) 2012

Establishment of account	Individual, employer
High deductible health plan (HDHP) required	Yes
Control/ownership of account	Employee
Account portability	Yes; required
HDHP eligible deductible minimum	\$1,200 individual \$2,400 family
Maximum contribution	\$3,100 individual \$6,250 family
Out-of-pocket maximum (in network)	\$6,050 individual \$12,100 family
Catch-up contribution	\$1,000 in 2012 (for individuals 55 & older)
Funding	Individual, employee salary reduction dollars, employer, third party
Required pre-funding	Yes
Carryover of unused funds	Yes; non-forfeitable
Qualified expenses	Qualified medical expenses as defined under IRS Publication 502 including OTC medicines. Premiums for COBRA, LTC, health insurance when unemployed or over 65 (except Medigap)
Who can use funds	Individual and all eligible dependents
Disbursement of money	Checks, debit card, withdrawal slips
Claims substantiation	No; but be prepared should IRS inquire
Rollover from other funds	Permitted on one-time basis
Cash out of unused funds	Permitted – taxable & subject to 20% excise tax unless disabled, deceased or over age 65
Tax treatment of contributions	Individual or employee to their own HSA – tax deductible. Employer to employee's HSA – deductible by employer, excluded from employee's gross income.
Taxation of interest or dividends	Varies based on use

Partial list of qualified health care expenses (IRS Publication 502 - www.irs.gov/pub/pdf/p502.pdf)

- Acupuncture
- Alcoholism (treatment)
- Ambulance (hire)
- Autoette or wheelchair
- Blind persons services
- Braces
- Capital expenditures - Home modifications for handicapped.
- Car equipped for wheelchair/handicapped
- Childbirth preparation classes (mother)
- Chiropractors
- Christian Science treatment
- Contact lenses, replacement insurance
- Crutches
- Deaf persons - Hearing aid and batteries, Hearing aid animal and care, Lip reading expenses, Special education, modified telephone
- Dental fees
- Dentures or artificial teeth
- Diagnostic fees
- Diapers (adult disposable) used due to severe neurological disease
- Doctor's fees
- Domestic aid - rendered by nurse
- Drug addiction recovery
- Drugs (prescription)
- Dyslexia language training
- Elevator alleviation of cardiac condition
- Eyeglasses and examination fee
- Fluoride device (on advice of dentist)
- Halfway house (adjustment to mental hospital)
- Healing services fees
- Health Maintenance Organization
- Hospital care
- Insulin
- Iron lung
- Laboratory fees
- Laetrile (by prescription)
- Lead paint removal
- Legal expenses (authorizing treatment of mental illness)
- Lifetime medical care (Prepaid; retirement home)
- Limbs (artificial)
- Lodging (limited to \$50/night)
- Mattress (prescribed for arthritis)
- Membership fees (association furnishing medical services, hospitalization, clinical care)
- Nursing home (medical reasons)
- Nursing services (board and Social Security paid by taxpayers)
- Obstetrical expenses
- Operations (legal)
- Optometrists
- Orthodontia
- Orthopedic shoes (excess costs)
- Osteopaths
- Oxygen/oxygen equipment
- Prosthesis
- Psychiatric care
- Psychologists
- Psychotherapists
- Reclining chair for cardiac patient
- Remedial reading
- Retarded person's costs for special home
- Retirement home Lifetime medical care
- Sanitarium rest home (medical, educational, rehabilitative services)
- Schools (special, relief, or handicapped)
- Sexual dysfunction treatment
- Surgical fees
- Swimming pool (for polio or arthritis)
- Teeth (artificial)
- Television (closed-caption decoder)
- Therapy treatments (prescribed)
- Transportation (for medical care)
- Vitamins (prescription)
- Wheelchair or autoette
- X-rays

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**This flyer provides a simplified description; please refer to the IRS or your plan documents for complete details and descriptions.*