

# New in 2020 – Enhancement to the District HSA Contribution

Beginning January 1, 2020, the District will enhance the District’s employer contribution to employee health savings accounts (HSA). In addition to the District’s dollar for dollar match contribution the District will also provide a direct HSA contribution that doesn’t require a match contribution from the employee. Please see chart for details.

District HSA Contribution				
	New District Direct Contribution	District \$ for \$ Match Contribution	Total available District Contribution	Annual Limit
Single	\$400	\$400	\$800	\$3,550
Employee + 1	\$600	\$600	\$1,200	\$7,100
Family	\$800	\$800	\$1,600	\$7,100

\*A \$1,000 additional catch up contribution is allowed for account holders age 55+

In 2020, there could potentially be three contributions to an HSA: the District’s direct contribution, the District’s dollar for dollar match, and the employee’s contribution.

**Please Note:** Due to the complexity of the District’s HSA contributions, the administration system has limited capabilities in managing the HSA Dollar for Dollar match contribution. Employees who don’t elect to contribute enough to receive the full dollar for dollar match may notice an inaccuracy in the total election amounts. This inaccuracy is the result of the system limitation and will be corrected manually post enrollment.

**Example 1:** An employee with family coverage wants to receive the full \$1,600 HSA contribution from the District, they will need to elect at least \$800 for the employee portion on the HSA election. The District will provide the direct contribution of \$800, which will be allocated incrementally in equal amounts over the entire year. The District will also match the Employee contribution up to \$800. The combined total contribution will be \$2,400.

Employee Election	\$800
District Match Contribution	\$800
<u>District Direct Contribution</u>	<u>\$800</u>
Total HSA Contribution	\$2,400

**Example 2:** An Employee with Employee +1 coverage wants to maximize their savings in the HSA. They elect \$5,900 for the year. The \$600 direct contribution would be funded incrementally over the entire year. A dollar for dollar contribution of \$600 would be funded incrementally based on the first \$600 of the employee’s contribution. At that point the dollar for dollar match would end. The remaining \$5,900 would be contributed by the employee

Employee Election	\$5,900
District Match Contribution	\$600
<u>District Direct Contribution</u>	<u>\$600</u>
Total HSA Contribution	\$7,100

**Example 3:** A single employee wants to receive the District Direct Contribution but doesn’t want to contribute their own funds to the HSA. They would elect \$0 for the employee contribution. The District would provide the incremental contribution of \$400 to the HSA but because the employee isn’t contributing their own funds, there wouldn’t be any match contribution from the District.

Employee Election	\$0
District Match Contribution	\$0
<u>District Direct Contribution</u>	<u>\$400</u>
Total HSA Contribution	\$400

