



## Health Savings Account FAQ - Employers

### **What is an HSA?**

Health Savings Accounts (HSAs) are tax-advantaged medical savings accounts available to those who have a qualified High Deductible Health Plan (HDHP). The HDHP can be one you have through your employer or one you have purchased on your own. The funds in your HSA can be used to pay for qualified medical expenses without federal tax liability.

### **What is a high-deductible health plan?**

A high deductible health plan (HDHP) is a health insurance plan that has higher deductibles than average. These plans also have a maximum for annual out-of-pocket expenses.

### **Is this really less expensive for the business?**

Yes, a high-deductible health plan has lower premiums than average. Therefore, many businesses are finding an HDHP to be more affordable for both the company and their employees.

### **What information do I need to open Health Savings Accounts for my employees?**

Please feel free to call us for more information on the process of opening HSA accounts for your employees. To open an HSA account for your employees, please call us and ask for an enrollment form.

### **How long does the employee enrollment process take?**

The time it takes to complete the employee enrollment process will depend on the number of employees being enrolled and on how quickly we receive all of the required information from the business. Once we receive all of the required information from the business, we will be able to provide you with a timeline for the enrollment process of your employees.

### **When can my employees expect to receive their HSA debit card and/or checks?**

Debit cards will be mailed 2 to 3 business days after the account is opened. If the employee orders checks, these will be mailed to them within 7 to 10 business days after the account is opened.

### **Can I contribute bonus HSA funds to one employee's account because they have greater health issues?**

No. Employer contributions must follow "Comparable Contribution Guidelines" meaning contributions must be in the dollar amount or same percentage of the employee's deductible for all employees who are classified the same. However, you may contribute more for employees who are non-highly-compensated employees. You may also differentiate contributions for full-time and part-time employees as well as employees with self-only coverage and those with family coverage.

### **When can I start funding my employees' account?**

Funding can begin as soon as you open an account for your employee.

### **Can I fully fund my employee's HSA at the beginning of the year?**

Yes, you can fully fund your employee's HSA at the beginning of the year. However, the HSA belongs to the employee and not to the employer. The employer does not have control over the HSA after funds have been deposited. Therefore, many employers choose to fund their employee's HSA periodically throughout the year.

### **What different types of contributions can be made to my employee's HSA?**

- ▶ **Employer Contributions** – These are made by the employer on the employee's behalf. The funds come from the business where the individual is employed and are deposited into the employee's HSA.
- ▶ **Pre-tax Contributions** – These are deducted from the employee's payroll check if requested by the employee. This type of contribution lowers your FICA, state and federal unemployment obligations and it also lowers payroll figures for Workers Compensation insurance. In order to make pre-tax payroll deductions, you must have a Section 125 Cafeteria Plan or Premium Only Plan (POP).
- ▶ **Post-tax Contributions** – These are made by the employee on an after-tax basis.

### **What does AimBank need so that contributions can be deducted from employee paychecks?**

\*\*Please note any contributions submitted via ACH will be considered current year contributions. If you would like to make a contribution for a previous year it will need to be brought into the bank.\*\*

- ▶ **Transaction code – Account Type**  
The transaction code should be set to a CHECKING CREDIT.
- ▶ **Receiving DFI Identification**  
AimBank's routing number is 111321063.
- ▶ **DFI Account Number**  
The DFI Account Number is the individual's Health Savings Account number. The account number can be obtained from the employee directly.
- ▶ **Amount**  
This will be the amount of your contribution and will be applied to the current year. Please note if contributions are being made by both the employee and employer, there is not a way to distinguish this information. If the amount needs to be contributed to a previous year, the funds will need to be brought into the bank.
- ▶ **Individual Name**  
The individual name is the name of the employee/accontholder.

**As an employer, am I responsible for my employee's HSA?**

No, as an employer, you do not own your employees' HSA and you are not responsible for managing how the funds are used. The employee owns and is fully responsible for the HSA.

**As an employer, am I responsible for reviewing medical expenses?**

No, the employer is not responsible for reviewing medical expenses. The employee, as the account holder, is fully responsible for managing how HSA funds are used.