



BlueEdge HSASM

Health Savings Account Fact Sheet

BlueEdge HSASM combines a high-deductible health plan (HDHP) with a tax-advantaged health savings account (HSA). Funds from the account can be used to help pay for out-of-pocket expenses, such as copayments and deductibles, or left to grow as a health care savings vehicle.

Advantages of a Health Savings Account

Affordability — Lower health insurance premiums when employees switch to a health insurance plan with a higher deductible.

Tax Savings — Tax deductions for contributing to the account, tax-free earnings through investment, tax-free withdrawals for most qualified medical expenses.

Portability — Employees keep the account, even if they change insurance plans, switch jobs or retire.

Flexibility — Funds can pay for current, qualified medical expenses or be saved for future needs.

Savings — Account funds can grow through investment earnings.

Control — Employees decide how much money to put into the account and when to use it to pay for qualified medical expenses.

2018 HDHP and HSA Dollar Amounts*		
	Self-Only Coverage	Family Coverage
Deductible Minimums	\$1,350	\$2,700
Annual Out-of-Pocket Maximums	\$6,650	\$13,300
HSA Contribution Maximums	\$3,450	\$6,900
"Catch-up" contributions (age 55 and older): \$1,000		

*HDHP and HSA amounts are set by the Internal Revenue Service (IRS), adjusted annually for inflation and subject to change. See the IRS website at irs.gov for current information.

IRS Rules to Know

Eligibility

Any adult can establish and contribute to an HSA if he or she:

- Has coverage under an HSA-qualified HDHP.
- Has no other first-dollar medical coverage (although other types of insurance, such as specific injury or accident disability, dental, vision or long-term care are permitted).
- Is not enrolled in Medicare.
 - An individual can be Medicare-eligible and have an HSA. However, once enrolled in Medicare, contributions to the HSA must stop. The individual may keep any funds that were in the account prior to enrolling in Medicare and use those funds to pay for qualified medical expenses tax-free, even after Medicare enrollment.
- Cannot be claimed as a dependent on someone else's tax return.

Contributions

Contributions to an HSA can be made by employees, employers or both. If employees make a post-tax contribution, they can deduct the contribution (even if they do not itemize deductions) when completing their federal income tax return.

Distributions

Employees can use the money in the account to pay for most qualified medical expenses for themselves, their spouse or dependent children, even if the spouse or children are not covered by the HDHP.

Any amounts used for purposes other than to pay for qualified medical expenses are taxable as income and subject to an additional 20 percent tax penalty. After the account holder turns age 65, the additional tax penalty no longer applies.

For More Information

The information contained here is for educational purposes only and not intended to represent all HSA regulations. For complete information, visit the U.S. Department of the Treasury website at [treas.gov](https://www.treas.gov).

¹Conduent Business Services, LLC and The Bank of New York Mellon (BNY Mellon) are affiliated companies that provide HSA administration services as BenefitWallet. Conduent is the administrator of the BenefitWallet HSA product. BNY Mellon is the custodian.

²The relationship between Blue Cross and Blue Shield of Illinois with Conduent, BNY Mellon, HSA Bank and Flexible Benefit Service Corporation is that of independent contractors. Conduent, BNY Mellon, HSA Bank and Flexible Benefit Service Corporation are independent companies that are solely responsible for administration of the HSA associated with the BlueEdge HSA plan. Please note that the HSA is a separate account established by the member in accordance with an agreement with an independent third-party bank.

HSAs have tax and legal ramifications. Blue Cross and Blue Shield of Illinois does not provide legal or tax advice, and nothing herein should be construed as legal or tax advice. These materials, and any tax-related statements in them, are not intended or written to be used, and cannot be used or relied on, for the purpose of assessing tax liability or avoiding tax penalties. Tax-related statements, if any, may have been written in connection with the promotion or marketing of the transaction(s) or matter(s) addressed by these materials. You should seek advice based on your particular circumstances from an independent tax advisor regarding the tax consequences of specific health insurance plans or products.

Choosing an HSA Administrator

Blue Cross and Blue Shield of Illinois (BCBSIL) has established relationships with three administrators that serve as HSA custodians and can help make your HSA experience simple and efficient. Each offers tools and resources to support a range of HSA services and integration features for employers and employees. Administrator options include:

- BenefitWallet™ offers real-time integration and can accommodate groups of any size.¹
- HSA Bank® specializes in HSA administration, offers real-time integration and is a good match for any size group.²
- FlexHSA® Plan offers the complete HSA by supporting health insurance, banking and investing for small and mid-market groups.²

Check with your BCBSIL Account Representative for more details and help determining the administrator option that will best meet your needs.