

MANAGING EMPLOYEE HEALTH SAVINGS ACCOUNTS

IMPORTANT INFORMATION FOR AUTHORIZED AGENTS

One of the options for Health insurance coverage for state employees is a High Deductible Health Plan (HDHP). With this plan, employees receive a monthly contribution to a Health Savings Account (HSA) paid by their employer to help offset the cost of medical expenses. Employees also have the ability to contribute their own pre-tax dollars to this account for additional savings.

HOW ARE HSA CREATED?

1. **Employers** send the new participant's enrollment information to NDPERS through Employer Self Service (ESS).
2. **Employees** make their elections through Member Self Service (MSS).
3. Every week, NDPERS sends the enrollment information to its health insurance provider, Sanford Health Plan (SHP).
4. SHP shares the information with Health Equity, the HSA provider.
5. HealthEquity sets up the HSA on behalf of the participant.
6. Participating employees are required to verify their identity as the account holder by completing the Health Equity Customer Identification Process (CIP).
 - o Employees who fail the CIP are notified by HealthEquity by mail or email.
 - o Contributions cannot be added to the HSA until the CIP is successfully completed.

WHEN AND HOW ARE CONTRIBUTIONS TO THE HSA POSTED?

Employer contributions to the HSA are sent on a *delayed schedule*.

For example, contributions for the June coverage month will be posted to the employee's HSA account by the end of July.

Employee contributions are sent to HealthEquity within 3-5 business days of NDPERS receiving the funds from the employer.

December employer contributions for 2024 will be applied to tax year 2024, but won't be deposited into the employee's account until January 2025. The same applies to any employee contributions withheld from checks dated in 2024 that are not received by PERS until 2025.

CURRENT EMPLOYER MONTHLY CONTRIBUTIONS JULY 2023 - JUNE 2025

- Single Policy: \$101.74
- Family Policy: \$246.16

IRS ANNUAL CONTRIBUTION LIMITS & CALCULATING EMPLOYEES CONTRIBUTIONS

The IRS establishes the total contributions annual limits. **The sum of both the employee and employer's contributions may not exceed the IRS limits.**

<i>Coverage Type</i>	<i>2024 Limit</i>	<i>2025 Limit</i>
<i>Single</i>	\$4,150	\$4,300
<i>Family</i>	\$8,300	\$8,550
<i>Age 55+ Catch-up</i>	\$1,000	\$1,000

NDPERS DOES NOT MONITOR EMPLOYEE'S TOTAL CONTRIBUTIONS.

IT IS THE RESPONSIBILITY OF PARTICIPATING EMPLOYEES TO ENSURE THEY DO NOT EXCEED THE IRS ANNUAL TOTAL CONTRIBUTION LIMITS.

ANY EMPLOYER CONTRIBUTION THAT CANNOT BE DEPOSITED INTO THE EMPLOYEE'S HSA, AS A RESULT OF MEETING THE ANNUAL MAXIMUM, ARE FORFEITED.

CALCULATING ANNUAL CONTRIBUTION WITH YOUR EMPLOYEES

When assisting your employees with estimates on how much they should contribute to their HSA for the calendar year, you can share this formula:

IRS ANNUAL LIMIT - EMPLOYER CONTRIBUTIONS FOR THE YEAR = MAXIMUM OF EMPLOYEE CONTRIBUTIONS

WHAT HAPPENS IF AN EMPLOYEE EXCEEDS THE ANNUAL CONTRIBUTION LIMITS?

The employee may request a refund of contributions. The employee must have funds in the account in order for NDPERS to receive the refund. If the money has been spent or moved to an investment account, NDPERS does not have any way to access the funds. Employers in this scenario should not process a refund.