

HSA Employer News!

January 2013

New Limits for 2013 HSA Contributions

As we begin 2013, please be sure your employees are aware of the increased limits for annual Health Savings Account (HSA) contributions.

The 2013 Annual Maximum Contribution Limits to an HSA under a High Deductible Health Plan are:

- **Self-only coverage:** \$3,250 (increased from \$3,100 in 2012)
- **Family coverage:** \$6,450 (increased from \$6,250 in 2012)

Note: *Employees age 55 or older who have not yet enrolled in Medicare may make an additional \$1,000 catch-up contribution to their HSA in 2013.*

Your employees may fully fund their HSAs all at once, or make smaller contributions throughout 2013, as long as they do not exceed the contribution limits. For more information, visit the IRS website at <http://www.irs.gov/pub/irs-drop/rp-12-26.pdf>.

Are Your Employees Prepared for Tax Season?

Tax season is coming soon, so now is the time to help ready your employees. For useful tips, direct your employees to our website, where they may navigate to "HSA Resources > 2012 Tax Information for Health Savings Accounts."

As a reminder, The Bancorp Bank will send **IRS Form 1099-SA** directly to your employees by January 31, 2013. The form provides the total amount distributed from the HSA in 2012.

Keeping Medical Receipts

Remind your employees that while receipts are not required to access funds in their HSAs, the IRS may request copies of receipts in the event of an audit, as confirmation that HSA funds were withdrawn only for qualified medical expenses. Your employees should keep their medical receipts with their HSA tax documents.

If you have questions regarding the 2012 or 2013 HSA tax year, please call our Customer Service line, available to you Monday through Friday, 9:00 a.m. to 6:00 p.m. ET. For specific questions about their taxes, your employees should consult their tax advisor or the IRS.

HSA Education Resources

We offer a number of resources to help your employees understand and take full advantage of their HSAs. Visit our website to learn more, and encourage your employees to make the most of the important information available to them.

Online, you will find:

HSA 101: Your employees can learn everything they need to know about HSAs through "HSA 101." Information is posted under "HSA Education" in the left margin of our home page, where you and your employees may sign up for and/or access:

- A free 30-minute live, interactive webinar
- A recorded 25-minute webinar
- A printable PowerPoint presentation (PDF file; available in English and Spanish)

The live webinar is held every Monday at 12:30 p.m. ET, and is perfect for anyone who is new to HSAs. During each session, we review the latest IRS guidance, along with the financial benefits of owning an HSA. Participants also have the opportunity to ask questions about these unique tax-advantaged accounts.

Frequently Asked Questions: We provide comprehensive answers to your FAQs on our website, under "Managing Your HSA > Frequently Asked Questions."

In most cases, everything you and your employees need is available online. However, we also are available by phone 24/7 to assist your employees with any questions the FAQs and other online resources do not address.

Other HSA Resources: Click the "HSA Resources" tab of our website to access IRS Publication 502 (which defines "qualified medical expenses" and other items) and other helpful resources, such as HSA calculators and links to tax guidance.

We wish you and your family a happy and healthy New Year!