TEAM Staff Employee
Salary Reduction Agreement – Enrollment / Change Form
for HSA Pre-Tax Payroll Contributions*

I. Participant Information

Employee name: ____

Social Security or TEAM Account #: ___________________________________

II. Enrollment / Change Information (Please check one)

- ☐ New HSA - New Employee
- ☐ New HSA - Current Employee permitted monthly change effective ____________________
- ☐ Existing HSA - Revised Election permitted monthly change effective ____________________
- ☐ Existing HSA - Annual Renewal effective 1st of next calendar year
- ☐ Existing HSA - Loss of Contribution Eligibility* effective ____________________

Permitted Monthly Changes take effect in the first pay of each calendar month, or in the first pay of a future month indicated above, provided your HSA contribution form is received no later than the 3rd of the month in which it's to take effect.

III. Election Information (Please check one)

- ☐ I wish to contribute $__________ **per pay period*** ($5 minimum; 24 pay periods per year)
- ☐ I wish to discontinue my contributions
- ☐ I am no longer eligible to contribute to an HSA*; discontinue my contributions

IV. Authorization and Agreement

I have read and understand the important information provided on the page 2 of this form and I hereby authorize my employer to adjust my salary as required by my above election. I understand that the benefit option I have includes the ability to change the contribution amount monthly; with changes taking effect the first pay of the next calendar month or in the first pay of the effective month indicated above.

I understand it's my responsibility to review my pay records (pay stub, etc.) to confirm that my employer has properly implemented my salary reduction election. Furthermore, I have the responsibility to inform my employer if I discover any discrepancy between my pay records and this salary reduction agreement.

____ ____________________________

Signature of Employee (may not be typed name) Date

Return this form to the Benefits Coordinator at benefits@team.org

Keep a copy for your records

Rec'vd: _______________	Effective: _______________	MFile/APS : _______________	Cp to payroll: _______________

*See page 2 of this form for important HSA eligibility information

An HSA is an individual account, not an employer account, and it's the individual's responsibility to maintain their HSA in accordance with IRS regulations. Per IRS regulations you may not use your HSA funds for expenses incurred before the HSA was opened.

It's the HSA account owner's responsibility to notify their employer to stop making HSA contributions on their behalf if they become ineligible to make new contributions. IRS regulations state if an employer contributes to the HSA of an employee who ceases to be an eligible individual during a year, the employer may not recoup any amounts that the employer contributed after the employee ceased to be an eligible individual. Contributions made after you cease to be an eligible individual may be subject to taxes and penalties.

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HSA Contribution Limits: If you are an eligible individual for the entire year, and do not change your type of coverage, you can contribute the maximum contribution amount based on your type of coverage and your age. If you were not an eligible individual for the entire year, or changed your coverage during the year, refer to IRS Publication 969 to determine your maximum contribution limit. Contributions made in excess of your contribution limit may be subject to taxes and penalties.

HSA Eligibility: IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, states the following on qualifying for an HSA:

To be an eligible individual and qualify for an HSA, you must meet the following requirements:

- *You must be covered under a high deductible health plan (HDHP), described later, on the first day of the month.*
- *You have no other health coverage except what is permitted under Other health coverage, later.*
- *You are not enrolled in Medicare.*
- *You cannot be claimed as a dependent on someone else's tax return*

Refer to IRS Publication 969 for additional information.

Important: You cannot contribute to an HSA once your Medicare or Social Security benefits begin. If you contribute to your HSA after your Medicare coverage starts you may have to pay a tax penalty.

- When you enroll for, and begin receiving, Social Security you will automatically be enrolled in Medicare Part A and will therefore no longer be eligible to open a new HSA or to make any additional HSA contributions into an existing HSA. Under the Social Security Act, it is not possible to receive Social Security benefits without receiving Medicare Part A. Medicare doesn't permit individuals to retain Social Security benefits and waive Medicare Part A. An employee would need to waive both Medicare and Social Security to be eligible to contribute to an HSA.

- If you are enrolling in Medicare Part A after the age of 65 you should stop your HSA contributions for up to 6 months before you enroll. This is because your Medicare Part A coverage will begin 6 months back from the date you apply for Medicare (or Social Security/RRB benefits), but no earlier than the first month you were eligible for Medicare (i.e. the month you turned 65). To avoid a tax penalty, you should stop your HSA at least 6 months before you apply for Medicare Part A or Social Security.

- If you are covered by an employer group healthcare plan based on current employment, and the employer has 20 or more employees, you qualify for a Special Enrollment Period (SEP) and can delay enrolling in Medicare past the age of 65. (COBRA and retiree health plans aren't considered coverage based on current employment). As long as you enroll for Medicare during your Special Enrollment Period you can enroll without penalty.

For additional information on HSAs refer to IRS Publication 969. For additional information on Medicare enrollment, and Medicare & HSAs, refer to the Medicare and You handbook available on Medicare's website (www.medicare.gov).