



# Employer Update

September 2009

## **Annual Contribution Limits**

As the end of 2009 draws near, it is important for your employees to know how much they have contributed to their HSA. By logging in to Internet Banking, employees can quickly see how much has been contributed to their account. Since annual contribution limits consider all contributions made to the account, including those made by the accountholder, employer or a third party, employees should factor in all contributions when considering their year-end total. The annual catch-up contribution, which is available to those 55 years of age and older, applies to the annual contribution limit, as well.

By checking their balance and considering their remaining contributions for the year, employees can avoid IRS penalties by making sure they do not over contribute. Additionally, they can consider contributing more in the coming months to help them reach the maximum contribution amount.

Each year the IRS adjusts the annual contribution limit. In addition, changes are normally made to the insurance plan qualifications.

### **2009 Limits**

Minimum Deductible	\$1,150	\$2,300
Maximum Out-of-Pocket	\$5,800	\$11,600
Maximum Contribution Limit	\$3,000	\$5,950
Catch-up Contribution (55+)	\$1,000	\$1,000

### **2010 Limits**

The IRS has already set the contribution limits for 2010, which were raised for both single and family.

Minimum Deductible	\$1,200	\$2,400
Maximum Out-of-Pocket	\$5,950	\$11,900
Maximum Contribution Limit	\$3,050	\$6,150
Catch-up Contribution	\$1,000	\$1,000

For more information on HSA maximum contribution levels [click here](#).

## **Contribute More, Save More**

The more employers and employees contribute to the HSAs, the more they will both save. Remind your clients of this and consider providing them with money saving tips regarding contributions when they design their HSA program.

- A.) Employee acceptance rates tend to rise when employers contribute a larger amount to employees' accounts.
- B.) A higher acceptance rate means more employees on an HSA-compatible plan, which usually means lower premium costs for both employers and employees, and a premium that rises at a slower rate.
- C.) Employers should offer pre-tax contributions and encourage employees to make contributions via the Section 125 Cafeteria Plan.
- D.) When employers offer employee pre-tax contributions, both the employer and employees save money on taxes.
- E.) Plus, HSA-compatible health plans generally help increase employee wellness and decrease overall claims.

## **Know How to Enroll**

HSA Bank offers several enrollment options to make enrolling in a Health Savings Account convenient for you and your employees. Each enrollment option provides unique capabilities designed to suit different enrollment situations.

**Group Online Enrollment** – Recommended for any employer group where the employer is paying any of the applicable fees due as part of the enrollment process, has multiple locations and/or wants to maintain greater control over the employees' HSA enrollment and administration.

**Individual Online Enrollment** – Recommended for individuals and also for employer groups that are not paying monthly fees. A credit card will be required during the enrollment process if checks are requested. With this method, employees are not able to be tied to employers for tracking purposes.

**Paper Enrollment** – Recommended for smaller groups that do not have internet access. Paper applications require two to three business days to process after receipt by HSA Bank.

For more information on our enrollment methods [click here](#).

HSA Bank's Business Relations Coordinators can be reached at (866) 357-5232, Monday through Friday, 7 a.m. to 7 p.m., Central Time.

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