2017 HSA guidelines
The IRS has announced the health savings account (HSA) guidelines for 2017. You will want to use this information as you prepare benefits information for next year:

- Annual HSA contribution limits will increase in 2017 to $3,400 for individual coverage (from $3,350 in 2016) and will remain the same in 2017 $6,750 for family coverage.
- Deductibles for HSA-eligible health plans must be at least $1,300 for individual coverage and $2,600 for family coverage.
- Maximum out-of-pocket expenses for HSA-eligible health plans will remain the same in 2017 $6,550 for individual coverage and $13,100 for family coverage.

What happens when an account holder over contributes?
Later this year Optum Bank will begin sending letters once an individual contributes more than their self-identified coverage type and age allows. Account holders can update their coverage type online at any time. This custom level of communication will provide more meaningful education to help your employees better understand their contribution limits.

Account holders who exceed the contribution limits for their type of coverage should complete an Excess Contribution and Deposit Correction Request Form, which is on our website. Once the form is processed, the account holder is mailed a reimbursement check to his or her address on file. Account holders who over contribute are subject to a 6% excise tax on excess contributions. Please see IRS Publication 969 (page 7) for more information.

Communicating to your employees
HSA Enroll 1-2-3 offers employers with Optum health accounts a variety of communication tools to inform and educate their employees before, during and after open enrollment. Tools are now being updated with the 2017 limits. Look for them later this summer.

Health savings accounts (HSAs) are individual accounts offered by Optum Bank, Member FDIC, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment, and restrictions. Federal and state laws and regulations are subject to change.

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