

Calculating Your Maximum HSA Deduction (July 1, 2018 – December 31, 2018)

For calendar year 2018, Qualified High Deductible Plan (QHDP) participants will have the ability to make payroll-deducted contributions to their Health Savings Account (HSA) with the Town's third-party vendor, Health Equity.

The maximum amount of money that an employee can contribute is the IRS maximum for calendar year 2018 (\$3,450 for individual plans and \$6,850 for family plans where the subscriber is under age 55, and \$4,450 and \$7,850, respectively, for subscribers over the age of 55), less the Town's contribution to the HSA (50% of the plan's deductible). Additionally, you must subtract any of the one-time health conversion incentive payments from the Town that you plan to deposit into your HSA.

Please note – it is the responsibility of the employee to ensure that he/she does not go over the IRS maximums in any given calendar year.

While our health plans operate on a fiscal year basis (July 1 – June 30), the IRS regulates HSA contributions on a calendar year basis. Therefore, for the period of July 1, 2018 – December 31, 2018, employees seeking to contribute the maximum will need to spread their calculated maximum amount over the number of remaining pay period in the calendar year. The following are the **maximum** dollar amounts that employees can contribute, depending on their pay period, plan type and deposited incentive payments. Employees may contribute less than these amounts, but should not exceed them if they seek to reach the IRS maximum over the remaining number of pays:

Employees Under Age 55

Pay Periods	Coverage Type	No Incentive Payments Deposited	All Incentive Payments Deposited	Only Early Adopter Deposited	Only Rate Saver Conversion Deposited
24	Individual	\$204.17	\$140.58	\$162.50	\$182.25
38	Individual	\$153.13	\$105.44	\$121.88	\$136.69
42	Individual	\$153.13	\$105.44	\$121.88	\$136.69
52	Individual	\$94.23	\$64.88	\$75.00	\$84.12
24	Family	\$404.17	\$264.92	\$320.83	\$348.25
38	Family	\$303.13	\$198.69	\$240.63	\$261.19
42	Family	\$303.13	\$198.69	\$240.63	\$261.19
52	Family	\$186.54	\$122.27	\$148.08	\$160.73

Employees Over Age 55

Pay Periods	Coverage Type	No Incentive Payments Deposited	All Incentive Payments Deposited	Only Early Adopter Deposited	Only Rate Saver Conversion Deposited
24	Individual	\$287.50	\$223.92	\$245.83	\$265.58
38	Individual	\$215.63	\$167.94	\$184.38	\$199.19
42	Individual	\$215.63	\$167.94	\$184.38	\$199.19
52	Individual	\$132.69	\$103.35	\$113.46	\$122.58
24	Family	\$487.50	\$348.25	\$404.17	\$431.58
38	Family	\$365.63	\$261.19	\$303.13	\$323.69
42	Family	\$365.63	\$261.19	\$303.13	\$323.69
52	Family	\$225.00	\$160.73	\$186.54	\$199.19

Employees may also frontload their HSA by contributing a higher amount from initial checks; however, it will be their responsibility to complete a HSA change form (available after open enrollment) to change their deduction to \$0 once they meet the maximum.

An important note: the IRS may increase or lower the HSA limit for calendar year 2019. Additionally, payments can be spread over a full year as opposed to half of the year. Therefore, employees should reconsider changing their deduction amount in January 2019. We will send more information on this when the time is closer.