

IMPORTANT

If you are enrolling in the Town’s High Deductible Health Plan (Blue Cross Blue Shield of Vermont), the following information will guide you through establishing your HSA account.

What Is a Health Savings Account? A Health Savings Account (HSA) is a tax-advantaged savings account owned by an individual that can be used to pay for qualified medical expenses for the account owner and their dependents. An HSA, which must be paired with an HSA-qualified health plan (like the Town sponsored HDHP medical plan), allows employees and employers to make pre-tax contributions to a federally insured account.

All the money in an HSA (including employer contributions) is owned by the employee even if they leave their job, lose their coverage, or retire. The money in an HSA **never expires** and all funds roll over each year.

To begin your HSA deduction contribution, you will need to open an HSA account at a bank that offers these accounts. Be sure to ask your current bank if they offer HSA accounts if they do not you will need to research for a bank.

Once you have opened your HSA account you will need to forward the completed HSA Direct Deposit form to our Accountant in the Finance Department. Your HSA account contributions **will not begin** until you forward the completed form(s) to Finance.

Employer Contribution

The Town of Brattleboro will contribute the following to an employee’s HSA in 2020:

Single	2-Peson & Family Plan
\$750. Deposited in January or pro-rated monthly @ \$62.50 from date of hire.	\$1,500. Deposited in January or pro-rated monthly @ \$125.00 from date of hire.

Optional Employee Contribution

In addition, you can contribute your own money to cover any remaining out of pocket expenses.

The total maximum contributions (a combination of the Town’s contribution and employee deposits) allowed in 2020 by the IRS are:

Single	2-Persona & Family
\$3,550 for single coverage (deduct and deposit into your HSA up to \$107. per payroll)	\$7,100 for two-person or family coverage (deduct and deposit into your HSA up to \$215. per payroll)

A catch-up contribution of \$1,000 can be made if over the age of 55

Distributions from the HSA are tax-exempt if used for qualified expenses. Distributions made for other than qualified medical expenses are subject to income tax and a 20% penalty. Anyone covered by another health insurance plan (Medicare, spouse’s policy) are not eligible for an HSA.

If you have any questions regarding your HSA account, please contact our Finance Department, Kim Ellison, Accountant at 802-251-8122 or kellison@brattleboro.org.

TOWN OF BRATTLEBORO

AUTHORIZATION AGREEMENT FOR HEALTH SAVINGS ACCOUNT DIRECT DEPOSIT

The Town of Brattleboro will deposit the amount you specify directly to Health Savings Account the bank of your choice in the United States.

Employee Name:	Employee Number:
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Name of Bank:	
City:	State & Zip Code:
ABA Number:	Account Number:
Amount \$_____ per payroll The HSA deduction will begin on the next payroll date unless you request a later date.	

Indicate the amount for each deposit per payroll in the box above.

The total maximum contributions (a combination of the Town's contribution and employee deposits) allowed in 2020 by the IRS are:

\$3,550 for single coverage (deduct and deposit into your HSA up to \$107. per payroll)

\$7,100 for two-person or family coverage (deduct and deposit into your HSA up to \$215. per payroll)

I hereby authorize The Town of Brattleboro to initiate a credit/debit entry to my account(s) at the depository named above. This authority is to remain in full force and effect until The Town of Brattleboro and Depository receive written notification from me to its termination in such time and in such manner as to afford the Town of Brattleboro and Depository a reasonable opportunity to act on it.

Employee signature:	Date:
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To assist us with data accuracy, please attach a voided check or an authorization for direct deposit.

Thank you!