HSA PLANS
FREQUENTLY ASKED QUESTIONS

Unless specifically stated otherwise, "the HSA plan" refers to both the Kaiser and Anthem offerings.

What is a "High Deductible Health Plan" (HDHP)?

A High Deductible Health Plan is a health plan that has a minimum annual deductible (determined yearly by the Treasury Department). It typically has a Health Savings Account (HSA) associated with it. In order to qualify as an HSA-eligible plan, it must meet the statutory requirements for annual deductibles and out-of-pocket expenses. HDHP plans are also known as Consumer Driven Health Plans (CDHP).

The plans offered by Hitachi Vantara **(the Anthem Silver and Bronze CDHP Plans and the Kaiser HSA Plan, the latter of which is available to California employees only)** qualify as High Deductible Health Plans.

Why would I consider enrolling in the HSA Plan if it has a high deductible?

By enrolling in a medical plan with an HSA, you can establish an HSA (see below for more information on the value of an HSA). The HSA Plans also have lower premium contributions so they cost less each month to enroll you and your eligible dependents. In addition, preventive care is covered at 100% with no deductibles, coinsurance or co-pays when you use a network provider. In almost every instance, your premium savings along with the HSA funding from Hitachi Vantara (see below), result in you and your family spending less for your healthcare than under a traditional medical plan.

What is a Health Savings Account ("HSA")?

A Health Savings Account is a tax-advantaged medical savings account available to taxpayers in the United States who are enrolled in a qualified Consumer Driven Health Plan (CDHP) or High Deductible Health Plan (HDHP), such as Hitachi Vantara's HSA Plans. HSAs enable you to pay for current health expenses and/or save for future qualified medical and retiree health expenses on a tax-free basis (federal tax free for all, state taxes apply in California and New Jersey). Withdrawals for non-qualified expenses are treated very similarly to those in an IRA in that they do not provide tax advantages if taken after retirement age, and they incur penalties if taken earlier.

Who is eligible for an HSA?

Only an "eligible individual" can establish an HSA and make HSA contributions or have them made on their behalf. To be eligible, the following criteria must be met:

- You must be enrolled in a qualified CDHP Plan.
- You cannot have coverage under any non-CDHP Plan that provides coverage for any benefit covered by the CDHP. However, your dependent can have non-CDHP coverage (as long as you are not enrolled in it) and that will NOT impact you from being HSA eligible.
- You cannot be claimed as a tax dependent of another individual.
- You cannot be entitled (meaning eligible and enrolled) in Medicare Part A, Part B, Part D or any other Medicare benefit.

Isn't entitlement to Medicare Part A automatic when I turn age 65? Does that mean I will not be eligible for the HSA Plans when I turn age 65?

An individual can become entitled to Medicare benefits for three reasons: age, disability or end-stage renal disease (ESRD). Entitlement to Medicare Part A is automatic if you have applied for and are receiving Social Security or Railroad Retirement Act benefits. Other individuals must file an application in order to become entitled to Part A benefits. If you have not applied for Social Security or Part A benefits (or any other form of Medicare), you are still eligible to contribute to an HSA even after you turn age 65.

Can I delay Medicare entitlement and elect it when I retire so I can continue to contribute to my HSA?

Yes, you can if you also decide to delay receiving Social Security benefits until you stop working and do not file an application for Medicare Part A coverage. You will continue to be eligible to contribute to an HSA until you apply for Medicare or begin receiving Social Security benefits as long as you continue to meet the other requirements necessary to be an eligible individual for HSA purposes (have HDHP coverage, no other impermissible coverage and cannot be claimed as anyone else's tax dependent).

What if I delay receiving Medicare when I am first eligible, to fund my HSA?

According to the Medicare Rights Center, if you delay receiving Medicare when you first qualify, you must stop contributions to your HSA six months before you collect Social Security because your Medicare Part A coverage will be retroactive for up to six months. If you do not, you risk paying a penalty on the money you put into the account during that period.

What if one or all of my dependents has non-CDHP coverage (like a PPO, HMO or Medicare)? Can I still cover them under the HSA Plans?

You can still cover your dependents under the HSA Plans even if your dependents have other coverage. As the HSA "Accountholder", you cannot be enrolled in a non-CDHP plan but your dependents can.

I am covering my Domestic Partner under my medical plan. Can I still enroll in the HSA Plans?

Yes, you can be enrolled in the Hitachi Vantara HSA Plans as can your domestic partner. Hitachi Vantara will contribute more than half of your plan's deductible ($2,000 for Anthem and $2,000 for Kaiser) to your HSA just as if you were covering a spouse and you can also contribute up to the full family amount (an additional $5,750, respectively, in 2023 up to the annual IRS maximum). However, you cannot use your HSA to pay for your domestic partner's eligible medical expenses unless they are also your tax dependent under IRS Code 152. Your domestic partner can, however, establish their own HSA and contribute the full $7,750 to it (Hitachi Vantara would not contribute to your domestic partner's HSA).

Who can contribute to an HSA?

You can contribute to the HSA, as can Hitachi Vantara. Each year, Hitachi Vantara contributes more than 50% of the in- network deductible for the Anthem Silver CDHP and Kaiser CDHP plans ($1,000 for single coverage and $2,000 for employees covering dependents). For the Anthem Bronze CDHP, Hitachi Vantara will contribute $750 for single coverage and $1,500 for family coverage. Half of this amount is funded in January, and the other half is funded in July. (Employees hired mid-year will receive a pro-rated contribution.) Your personal contributions, if you elect to contribute, are divided among the remaining pay periods in the calendar year.

Is there a limit on how much can be contributed to an HSA?

Yes, for 2023, the maximum IRS contribution for family coverage (anyone covering dependents) is $7,750 and $3,850 for employee only coverage.

These annual contribution limits apply regardless of whether the contributions are made by you or by Hitachi Vantara and regardless of whether your dependents have other coverage.

For Anthem Silver CDHP plan: Since Hitachi Vantara contributes $1,000 for employee only and $2,000 for family coverage, the maximum you can contribute in 2023 is $2,850 for employee only and $5,750 for a family.

For the Anthem Bronze CDHP plan: Since Hitachi Vantara contributes $750 for employee only and $1,500 for family coverage, the maximum you can contribute in 2023 is $3,100 for employee only and $6,250 for a family.

For the Kaiser HSA plan: Since Hitachi Vantara contributes $1,000 for employee only and $2,000 for family coverage, the maximum you can contribute $2,850 for employee only and $5,750 for family.

Does my contribution depend on when I establish my HSA account or when my CDHP coverage begins?

Your eligibility to make a contribution depends on when your CDHP coverage begins. For example, if your CDHP coverage begins on March 15, you can make a contribution for the last half of the month of March. The first month for which you would be eligible to make a full month's contribution would be April. Likewise, if your CDHP coverage ends November 2, you would be eligible to make a contribution for the first half of the month of November (but not the second half of November or December). If you do not have CDHP coverage for every month of the year, you must pro-rate your annual HSA contribution for the number of months that you have CDHP coverage.

The amount you can contribute is not determined by the date you establish your account. However, medical expenses incurred before the date your HSA is established cannot be reimbursed from the account.

Does my income affect whether I can have an HSA?

Unlike some IRAs there are no income limits that affect HSA eligibility. However, if you do not file a federal income tax return, you may not receive all the tax benefits HSAs offer.

Do my contributions provide any tax benefits?

Your personal contributions can be deducted on your personal income taxes and reduce your taxable income by the amount you contribute to your HSA. You do not have to itemize your deductions to benefit. Contributions can also be made to your HSA by others (e.g. relatives). However, you (not the person making the contribution) receive the benefit of the tax deduction.

Since Hitachi Vantara contributes to my HSA, does that also provide me with any tax benefit?

Contributions to your HSA by Hitachi Vantara are not taxable to you as an employee (excluded from income and employment taxes). State taxes do apply for California and New Jersey residents.

Can I make contributions through Hitachi Vantara on a “pre-tax” basis?

Yes, you can make contributions to your HSA on a pre-tax basis (i.e. before income and employment taxes are applied) as long as they are being contributed through Payroll deductions. The amount you contribute in this way is not deducted on your personal income taxes, and will be included on your W-2.

Can I deduct my HSA contributions and also claim the itemized deduction for medical expenses?

You may be able to claim the medical expense deduction even if you contribute to an HSA. However, you cannot include any contribution to the HSA or any distribution from the HSA, including distributions taken for non-medical expenses, in the calculation for claiming the itemized deduction for medical expenses.

My spouse has an FSA or HRA* through their employer, can I have an HSA?

No. You cannot have an HSA because your spouse’s FSA or HRA can pay for any of your medical expenses. This is regardless of if you cover each other.

*Hitachi Vantara does not offer an HRA.

Can I take a tax deduction for my CDHP premium?

Not while you work at Hitachi Vantara.

I’m over 55 and would like to make catch-up contributions to my HSA, like I’ve done with my IRA. Is that possible?

Yes, individuals 55 and older who are covered by an HDHP can make additional catch-up contributions each year until they enroll in Medicare. The additional “catch-up” contribution allowed to an HSA is $1,000 annually.

I turned 65 and would like to continue to make contributions to my HSA. Is that possible?

Yes, as long as you have not yet enrolled in Medicare or Social Security, and you continue to be an “eligible individual”.

If both my spouse and I are 55 and older, can both of us make “catch-up contributions?

Yes, if you are both eligible individuals and both have established an HSA in each of your names then you may both make “catch-up” contributions. If only one individual has an HSA in their name, only that individual can make a “catch-up” contribution. Employees can contribute their additional $1,000 through Hitachi Vantara payroll deductions. Catch-up contributions for spouses of Hitachi Vantara employees need to be made directly to your spouse’s HSA administrator – you should contact them to make those arrangements.

Does tax filing status (joint vs. separate) affect my contribution?

Tax filing status does not affect your contribution.

Does an HSA pay for the same things that regular insurance pays for?

HSA funds can pay for any "qualified medical expense", even if the expense is not covered by the HSA Plan. For example, most health insurance does not cover the cost of over-the-counter medicines but HSAs can with a written prescription from your provider. If the money from the HSA is used for qualified medical expenses, then the money spent is tax-free. Please see IRS Publication 502: Medical and Dental Expenses (Section 213(d)) by visiting www.irs.gov/publications/p502.

Can I use my HSA to pay for my dependent's health care expenses?

Yes, if they meet the definition of an eligible dependent (spouse, or child under the age of 24 and meet the definition of an eligible dependent). You can also include your Domestic Partner's expenses if they meet the definition of an IRS dependent.

What if my dependents have other coverage such as an HMO, PPO or Medicare?

You can still cover them under the CDHP Plan, contribute up to the family maximum and use your HSA to pay for their expenses (as long as they meet the definition of an eligible dependent).

What if my dependents are not covered by one of the Hitachi Vantara CDHP plans?

You can still use your HSA to pay for your dependent's healthcare expenses even if they are not covered by an CDHP. Only you as the HSA account holder are required to have a CDHP in order to have an HSA. Your dependents can even be covered under another type of medical plan (an HMO or EPO for example) and you can still use your HSA to pay for their out-of-pocket medical expenses.

What if my child no longer meets the definition of an IRS Code 151 Dependent?

Generally, a taxpayer may claim a dependent exemption under Code 151 for an individual if the individual is (1) the taxpayer's child under age 19 at the end of the tax year; (b) the taxpayer's child, a student, and under age 24 at the end of the tax year; or (c) a member of the taxpayer's household for whom the taxpayer provided over half of the support for the year and whose gross income does not exceed the personal exemption amount. If your child does not meet the definition, they can still be covered under the HSA Plan (because the medical plan allows you to cover your children up to age 26) but you cannot use your HSA to pay their out-of-pocket medical expenses. They can, however, open their own HSA provided they are covered under the HSA Plan or another qualified HDHP and otherwise meet the definition of an eligible individual.

What providers are available to me under the Anthem Silver and Bronze CDHP plans?

These plans utilize the Anthem PPO network. If your doctor is in the Anthem PPO network, they are considered an in-network provider for the Anthem CDHP plans. For the Kaiser CDHP plan, you can see any Kaiser doctor.

Will my prescription choices be limited under the CDHP plans?

No. The prescription drugs covered under the CDHP plans are the same as those typically covered under a traditional PPO medical plan or HMO plan through Kaiser.

Who is the Administrator of the HSA for Hitachi Vantara?

Hitachi Vantara's HSA Administrator for both Anthem and Kaiser members is HSA Bank.

How do I set up my Health Savings Account?

During your benefits enrollment period, Hitachi Vantara will transmit the information necessary for HSA Bank to open an HSA on your behalf. When HSA Bank receives your information, the HSA will be opened and you will receive a Welcome Kit and HSA debit card. You must have an HSA so that Hitachi Vantara can make the appropriate contributions to your account and you can use the account to pay for your medical, dental and vision expenses as needed.

I have an HSA with another bank. Do I need to move it to HSA Bank?

You do not need to move the HSA funds from an outside bank to HSA Bank. However, Hitachi Vantara will only contribute to the HSA administered by HSA Bank. If you would like to rollover the balance you have with the other bank, HSA Bank makes the process of transferring HSA funds or rolling over HSA funds both easy and painless. You can go to: https://www.hsabank.com/hsabank/Members/transfer-rollover-hsa-funds to initiate a rollover.

When can I rollover the funds in my bank's HSA?

You must wait until after your Hitachi Vantara HSA account is established before the rollover can be completed.

When can I receive distributions from my HSA?

You are permitted to receive distributions from your HSA at any time (assuming you have money in your account). However, there may be tax consequences and other penalties on the distributions if you do not use the funds for qualified medical expenses.

How are distributions from an HSA taxed?

Distributions from an HSA used exclusively to pay for the qualified medical expenses of you or your spouse or eligible dependents are generally excludable from gross income. The amount of your distribution not used exclusively for such qualified medical expenses is includable in your gross income and may be subject to an additional 20% premature distribution penalty tax on the amount that was not used for qualified medical expenses. This 20% penalty tax does not apply to distributions made after your death, disability or attainment of age 65. In addition, distributions made for expenses that are reimbursed by another health plan are includable in your gross income, whether or not the other health plan is a qualified CDHP.

Who determines whether HSA distributions are for qualified medical expenses?

You are responsible to make that determination. You are also solely responsible for maintaining adequate records for tax purposes and for paying any taxes and penalties which may result from any distribution.

What medical expenses are eligible for tax-free distributions from my HSA?

Please see IRS Publication 502: Medical and Dental Expenses (Section 213(d) by visiting www.irs.gov/publications/p502.

Can HSA funds be used to pay for my Domestic Partner's medical expenses?

Only if your Domestic Partner qualifies to be your legal tax dependent. If your Domestic Partner is not your legal tax dependent, they can still be covered under the HSA plans but you cannot use your HSA funds for their expenses without being taxed and penalized.

What happens to the money in my HSA if I decide to leave Hitachi Vantara?

Your HSA belongs to you even if you leave Hitachi Vantara employment. There may be account fees that will become your responsibility.

What are some of the advantages of participating in the HSA Plans?

The HSA Plans are designed to give individuals a greater voice in how their healthcare dollars are spent in terms of choosing their service providers, selecting health care services and managing their own wellness. In addition, there are tax advantages when you choose an HSA Plan. HSAs are currently not subject to federal taxes. In most states, your HSA will not be taxed on the amount that Hitachi Vantara contributes to your HSA or the amount you contribute to your HSA. In California and New Jersey, the contributions will be taxed by the state. You will also not be taxed when you withdraw your HSA funds to pay for eligible expenses. Like an IRA, you can also invest the money in your HSA if you wish.

Are HSAs at risk of disappearing given healthcare reform?

Not at this time. There isn't anything in the current legislation that indicates HSAs are at risk.

Are dental and vision care considered "qualified medical expenses" for purposes of Health Savings Account?

Yes, many dental and vision care expenses are considered "qualified medical expenses." However, cosmetic procedures, like cosmetic dentistry, would not be considered a "qualified" medical expense." Please see IRS Publication 502: Medical and Dental Expenses (Section 213(d) by visiting www.irs.gov/publications/p502.

Can I use the money in my HSA to pay for medical care for a family member?

Yes, you may withdraw funds to pay for the qualified medical expenses of yourself, your spouse or a dependent without tax penalty. This is one of the great advantages of HSAs. Remember, you can only use the money in your HSA to pay for the healthcare expenses of a Domestic Partner if they also qualify as your tax dependent.

Can I use my HSA to pay for medical services provided in other countries?

Yes.

What happens to the money in a Health Savings Account after you turn age 65 and become eligible and enrolled in Medicare?

You can continue to use your account tax-free for out-of-pocket health expenses. When you enroll in Medicare, you can use your account to pay for Medicare premiums, deductibles, copays, and coinsurance under any part of Medicare. If you have retiree health benefits through your former employer, you can also use your account to pay for your share of retiree medical insurance premiums. You can also use it for things like COBRA premiums, Long Term Care premiums, etc. The one expense you cannot use your account for is to purchase a Medicare supplemental insurance or "Medigap" policy.

Once you turn age 65, you are no longer subject to a 20% penalty on withdrawals that are used for purposes other than qualified medical expenses. You would still have to pay income tax on the amount of these withdrawals. But this makes putting funds in an HSA better than an IRA.

Do the funds in an HSA earn any interest?

Yes, they do. The rate will vary depending on market conditions. These rates are set to be competitive with other banks for similar accounts.

Can the funds in an HSA be invested?

Yes, you can invest the funds in your HSA. The same types of investments permitted for IRAs are allowed for HSAs, including stocks, bonds, mutual funds, and certificates of deposit. For assistance, please reach out to your HSA administrator. A minimum account balance is required; for HSA Bank, this is $1,000.

Are there any fees associated with having an HSA account?

Yes. However, while you are a Hitachi Vantara employee, those fees are paid by Hitachi Vantara. If you leave Hitachi Vantara, those fees will be your responsibility while your account is active.

Does the HSA have a debit card?

Yes, it does. You will receive a debit card that you can use to pay for eligible healthcare expenses for you and your eligible dependents. You can order additional debit cards for your dependents (as long as they are age 18 or older) at no additional charge.

What happens if I incur a claim at the beginning of the year and do not have any funds in my HSA?

You will be responsible for paying any expenses out-of-pocket if you do not yet have enough funds in your HSA to cover the expense. You can reimburse yourself from your HSA once funds become available. You may also consult with the provider or hospital. They will usually allow you to arrange a payment plan. Remember, Hitachi Vantara will contribute half of its HSA contribution into your account in January and half in July.

What happens to the balance in my HSA account if I am no longer a member in the HSA plans?

You own your HSA account and it goes with you should you change medical plans, retire or leave Hitachi Vantara for any reason.

Is there a separate deductible or out-of-pocket maximum for prescriptions?

No, the deductible applies to all eligible medical expenses, including prescriptions.

If I incur an eligible expense and do not use my HSA to pay for it now, may I do so at a later date?

Yes, you may pay for prior eligible expense provided you had an HSA when the expense was incurred. You can upload all of your receipts on each bank's mobile app for safekeeping and your use later.

What expenses are considered preventive?

Preventive services are things like immunizations and screening tests. You may find a listing of covered preventive care on https://www.healthcare.gov/preventive-care-benefits/.

If my spouse has a high deductible plan with another company and I enroll in an HSA Plan with Hitachi Vantara, what is the maximum we can contribute?

The contribution limit is a joint limit which is to be divided between the married couple, if both are HSA-eligible. So, if either spouse is HSA-eligible and has family CDHP coverage, the spouses' combined contribution limit is the annual statutory maximum amount for individuals with family HDHP coverage ($7,750 for 2023). For example, each spouse can contribute an equal portion of $3,850 totaling a combined annual HSA contribution for the year of $7,700. Additionally, if one person has individual coverage with another company and the Hitachi Vantara employee has family coverage, the maximum combined contribution cannot exceed $7,750. This is valid even if the accounts are separate. It is each person's responsibility to not go over the maximum contribution.

If I enroll in one of the HSA plans and establish an HSA account, can I cover my spouse who has an FSA with another company?

No, the same family cannot be covered by an HSA and an FSA. If your spouse wants to keep the FSA, you cannot be enrolled in an HSA.

If I make a post-tax contribution into my Hitachi Vantara HSA account and sign up for the maximum employee Hitachi Vantara contribution through Hitachi Vantara, will my payroll contributions consider the post-tax contribution I made and stop my contributions so I do not exceed the annual limit?

Hitachi Vantara would not be aware of any post-tax contributions you make into your HSA account. It is the responsibility of the HSA account holder to ensure that they do not exceed the annual maximum limit in any year. If this situation occurs, please contact the HSA administrator to receive a refund of the over contributed amount.

How do I increase or decrease my current HSA contribution?

You may change your HSA contribution at any time during the year online through the Hitachi Benefit Pool. Your new payroll withholdings will be adjusted to reflect any amount that you have already contributed. For instance, if you elected $1,000 at the beginning of the year, and decide half way through the year that you want a total personal contribution of $2,000 in your account at the end of the year, the system will calculate how much you have already contributed and your elections will be adjusted.

If at any time during the year you want your personal HSA contributions to stop, you should contact the Hitachi Benefit Pool and change your election amount to $0. There will be no changes made to the contributions that have already been deposited earlier in the year.

Be sure to check your future pay stubs to ensure that the amount has been properly adjusted based on your new elections. All election changes can take 1-2 pay periods to take effect.

If I start mid-year and elect to contribute to an HSA account, how will the pay period contributions be calculated?

Your contributions are divided by the number of pay periods remaining in the year. For example, if you elect to contribute August 1st, there are 10 pay periods remaining in the year. If you elect an annual contribution of $2,000, your contribution would be $200 per pay period ($2,000 / 10 pay periods). Additionally, if you elect to contribute $2,000 with 5 pay periods remaining in the year, your contribution will be $400 per pay period.