

HSAs & Medicare



Medicare Enrollment Ends HSA Eligibility
Previously contributed funds can still be used.

ONLY applies to Health Savings Accounts (HSA)- not to Flexible Spending Accounts (FSA) or Health Reimbursement Arrangements (HRA).

3 Common HSA - Medicare Problems

Mistakenly Enrolled in 'Free' Part A at Age 65

If not receiving Social Security, contact local SSA office promptly to see if Part A can be withdrawn. Any Part A benefits received must be repaid.

Calculating the Pro-Rated Final Year Maximum Contribution

When Medicare Part A has been deferred, it will be retroactive to 6-months from the 1st of the month when it was requested. That retroactive date is used to determine the number of eligible months in the final year.

The final-year pro-rated maximum contribution is calculated by dividing the number of eligible months by 12 (ex. April = $4/12 = 25\%$). *Deposits up to that limit can still be made until that year's tax-filing deadline.*

When to stop HSA payroll withholding if planning Medicare enrollment

To avoid overfunding the final year of the HSA, it's generally recommended employees request that any such withholding stop 6-months prior to the expected Medicare start date (retroactive dating covered above). Additional contributions can still be made personally up to the final year maximum.

Questions?

Contact your HSA program administrator

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Helping Employees Build a Solid Retirement

