

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If not receiving Social Security, contact local SSA office promptly to see if Part A can be withdrawn.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 should contributions stop prior to Medicare enrollment?

To avoid "overfunding" the final year pro-rated maximum HSA contribution amount, 6-months before the expected Medicare start date* is generally recommended. (*The retroactive Part A start date is discussed above.)

Questions?

Contact your HSA program administrator

turning65workshop.com

Helping Employees Build a Solid Retirement

