



## **THE MAROON SAVINGS CHOICE - HEALTH SAVINGS ACCOUNT FREQUENTLY ASKED QUESTIONS**

### **1. What is the Maroon Savings Choice?**

Maroon Savings Choice is a consumer driven health plan, that will give you greater control and flexibility over how your health care dollars are spent, that will consist of two components.

#### Component 1:

It will be a preferred provider organization administered by Blue Cross Blue Shield of Illinois that will offer the same broad network of physicians and care providers, similar to the current Maroon Plan. The prescription drug coverage will also be administered by CVS Caremark.

Unlike the current Maroon, it will offer lower payroll contributions and will have higher annual deductibles and out-of-pocket maximums.

#### Component 2:

It will include a Health Savings Account (HSA) to which the University will contribute to for each eligible employee enrolled. Employees will have the option to contribute additional funds to their HSA, but contributions are not mandatory.

### **2. What is a Health Savings Account (HSA)?**

A tax-advantage account created to pay for qualified health expenses (medical, prescription drug, dental and vision). Funds go into your account tax-free, may earn interest or investment returns tax-free, and are distributed from your account tax-free from federal income taxes, if spent on qualified health expenses. You will never pay taxes on these funds, as long as you use this money to pay for qualified health expenses.

You may use the money to help pay for your deductible and/or co-insurance or to roll over year-to-year. Any unused HSA funds that roll over allow you to build tax-free savings for future health care needs, including funds for medical expenses during retirement years.

### **3. How does my HSA get funded?**

The University will contribute up to \$500 to the health savings account of every eligible employee enrolled as an individual, or up to \$1,000 for those enrolled along with a spouse and/or children. Contribution amount is prorated based on the month coverage begins.

Employees have the option to contribute additional funds through pre-tax payroll deductions, up to the IRS limit base on your coverage tier through payroll deductions. Please note, employee contributions are not mandatory.



#### **4. What is a “Qualified Medical Expense”?**

An HSA-qualified medical expense is any health care cost paid on behalf of an individual or his or her spouse or dependents as defined by the Internal Revenue Code.

#### **5. Can I enroll in the Maroon Savings Choice and the Health Care Flexible Spending Account (FSA)?**

Per IRS regulations, employees enrolled in a HSA are not eligible to participate in a traditional health care flexible spending account. The HSA allows for payment of qualified medical, prescription drug, dental and vision expenses.

However, Maroon Savings Choice plan members may enroll in a Dependent Care Flexible Spending Account to pay for eligible dependent care expenses incurred while you and your spouse (if married) work.

#### **6. What is the difference between a Health Care FSA and an HSA?**

##### Health Care FSA

- Enrollment allowed for only faculty and staff members not enrolled in the Maroon Savings Choice medical plan. Those who are enrolled in the UCHP, HMO Illinois, Humana and those not enrolled in any medical plan can elect a health care FSA.
- IRS requires you to forfeit any money left in your FSA that you do not use during the plan year. You cannot receive the balance and you cannot carry it over to the next year.

##### Maroon Savings Choice HSA

- Enrollment only allowed for faculty and staff members enrolled in the Maroon Savings Choice medical plan. Those who are enrolled in the UCHP, HMO Illinois, Humana and those not enrolled in any medical plan cannot participate in the Maroon Savings Choice HSA.
- Any money left in your HSA that you do not use during the plan year is automatically carried over to the next year.
- Monies in your HSA are yours to take with you if you leave the University. There is no vesting requirement.
- Both University and member contributions can be invested through DEVENIR and/or TD Ameritrade.