

# HSA VS VEBA

PRODUCT HIGHLIGHTS	HSA	VEBA
EMPLOYEE CAN ACCUMULATE FUNDS TO PAY FUTURE EXPENSES	X	X
NO "USE IT OR LOSE IT" PROVISION	X	X
DEPOSITS EARN INTEREST AND ROLLOVER FROM YEAR TO YEAR	X	X
ACCOUNT BELONGS TO THE EMPLOYEE AND IS PORTABLE	X	
VEBA FUNDS ARE HELD IN TRUST IN THE NAME OF EMPLOYEE AND AVAILABLE FOR SPEND DOWN		X
SECTION 213D EXPENSES ARE ELIGIBLE	X	X
PRESCRIPTION DRUGS ARE SUBJECT TO DEDUCTIBLE AND LIMITED TO FORMULARY ONLY <i>** Based on Employers health plan.</i>	X	X
INVESTMENT OPPORTUNITIES ARE AVAILABLE FOR ACCOUNT BALANCES OVER \$1,000	X	X
AVAILABILITY OF FUNDS AS CONTRIBUTIONS ARE MADE	X	X
MEMBERS CAN ELECT CROSSOVER ( <i>must have BCBS coverage</i> ) AND DIRECT DEPOSIT	X	X
THE HEALTH PLAN DESIGN MUST MEET CERTAIN DESIGN REQUIREMENTS PER IRS REGULATIONS	X	
EMPLOYER CONTRIBUTIONS ONLY - EMPLOYEE CONTRIBUTIONS NOT ALLOWED		X
EMPLOYER AND EMPLOYEE PRE AND POST TAX CONTRIBUTIONS ALLOWED	X	
NO MAXIMUM ANNUAL CONTRIBUTION LIMITATION - ALLOWS FOR LARGE SUMS OF SEVERANCE AND SICK LEAVE TO BE DEPOSITED		X
MAXIMUM CONTRIBUTION LEVELS SET BY IRS ON AN ANNUAL BASIS FOR 2014, \$3,300 SINGLE/\$6,550 FAMILY * CATCH-UP CONTRIBUTION OF \$1,000 OVER AGE 55	X	
DEDUCTIBLE MINIMUMS AND OUT-OF-POCKET MAXIMUMS ARE ANNUALLY INDEXED BY IRS	X	
DEDUCTIBLE AND OUT-OF-POCKET MAXIMUMS ARE ANNUALLY REVIEWED BY SERVICE COOPERATIVE		X
DUAL COVERAGE LIMITED - CAN ONLY COORDINATE WITH ANOTHER HDHP AS DEFINED BY IRS REGULATIONS	X	
DUAL COVERAGE ALLOWED - COORDINATES WITH OTHER HEALTH PLANS		X
MEDICAL FSA'S ARE LIMITED TO DENTAL AND VISION EXPENSES ONLY ( <i>Once Medical Deductible has been met, FSA becomes full medical FSA</i> )	X	
CAN BE USED IN CONJUNCTION WITH A FULL MEDICAL FSA		X
FUNDS CAN BE USED TO PAY RETIREE MEDICARE SUPPLEMENT PREMIUMS, RETIREE MEDICARE PART B AND D, AGE 65 OR OLDER. RETIREE GROUP HEALTH INSURANCE PREMIUMS AND OTHER INDIVIDUAL HEALTH INSURANCE <i>**Consult your tax advisor</i>		X
FUNDS CAN BE USED TO PAY MEDICARE PART B AND D IF AGE 65 OR OLDER, AND POST-65 RETIREE GROUP HEALTH INSURANCE PREMIUMS <i>**Consult your tax advisor</i>	X	
WITHDRAWALS ARE LIMITED TO ELIGIBLE MEDICAL EXPENSES INCLUDING SECTION 213(D)		X
WITHDRAWALS FOR NON-MEDICAL EXPENSES ARE ALLOWED, BUT SUBJECT TO TAX AND 10% PENALTY UP TO AGE 65. AFTER AGE 65, SUBJECT TO TAX ONLY.	X	
IN THE EVENT OF YOUR DEATH, THE VEBA BALANCE IS TRANSFERRED ONLY TO A TAX DEPENDANT FOR MEDICAL SPEND DOWN ONLY		X
ACCOUNT HOLDER CAN NAME A BENEFICIARY	X	
MEMBERS ARE RESPONSIBLE FOR MAINTAINING SUBSTANTIATION RECORDS	X	
MEMBERS WILL HAVE ADDITIONAL TAX RECORD KEEPING RESPONSIBILITIES <i>**Consult your tax advisor</i>	X	