The University of Alaska is changing the Health Savings Account (HSA) from a fiscal year plan to a calendar year plan, effective in 2018. This document addresses some of the questions employees may have about this change.

**Q. Why is the university making this change?**
A. The IRS limits on the HSA are calendar year, or tax year, limits. Employees starting mid-year or employees on less than 12 month contracts can find it difficult to avoid over-contributing to their accounts, possibly triggering penalties and taxes on the excess amounts. It’s also administratively burdensome to fix these errors, since these are personal bank accounts unlike the Flexible Spending Accounts (FSA).

An added benefit is that the HSA will be more like a companion plan to the voluntary 403(b) (also called the tax-deferred annuity, or TDA), working together to help employees reach their retirement goals.

**Q. Do I have to turn in a new form?**
A. No. If you don’t turn in a new form, your current bi-weekly deduction will continue until your goal amount is reached. The fiscal year goal you elected previously will be your new 2018 calendar year goal.

**Q. I don’t want the HSA after June 30 because I’m changing health plans. What should I do?**
A. You can submit a form to stop your HSA deductions at the end of June. You don’t need a life event to make changes to the HSA, but if you’re not eligible because you changed health plans, you have to stop contributing to the HSA. The money in the account is yours to keep and use no matter what health plan.

**Q. Why should I contribute to the HSA?**
A. The HSA is a great way to not only pay for your deductible and other health care expenses with pre-tax dollars, you can also use this account to save for future medical expenses, even into retirement. You can contribute the maximum to this account as well as the maximum to the voluntary 403(b) to help you reach your retirement goals.

**Q. Does this change who is eligible for the HSA?**
A. No, you still have to be enrolled in a qualifying health plan, like our Consumer-Directed Health Plan (CDHP) whether yours or your spouse’s plan. If you start in the CDHP mid-year, you can start your HSA at that time, too, as long as you aren’t covered by another plan or a Flexible Spending Account (FSA).

**Q. I’m a faculty member with additional assignments in the summer at a reduced amount of pay. What if I don’t want to have the HSA deductions continue during the summer when I’m making less money?**
A. You can stop and re-start your HSA at any time. If you don’t want to have the HSA deduction taken from your smaller paychecks during the summer or other off-contract period, just turn in a new form to stop or reduce the HSA deductions, and submit a new form when you want it to re-start or change your deduction.