

## Ways to Contribute to Your HSA

This page presents the different ways you can contribute money to your HSA.

### Set up Direct Deposit from your paycheck

This type of HSA contribution happens before taxes are taken out of your paycheck. Work with your employer's benefits administrator to set up this type of contribution.

### Make a one-time deposit

One-time deposits can be made from your personal bank account into your HSA account. You can make online contributions anytime by authorizing withdrawals from your savings or checking account or mailing your contributions to Further.

#### Make a one-time deposit on [www.hellofurther.com](http://www.hellofurther.com)

1. Sign in at [www.hellofurther.com](http://www.hellofurther.com).
2. Choose **Make a Deposit** from the **I Want To...** menu.
3. Click **Make a One-Time Deposit**.
4. Enter the amount you want to transfer and click **Next**.
5. Select the bank account you want to transfer the money from.
6. Enter the date that the transfer will be posted.
7. Enter the tax year for the transfer.
8. Agree to the terms and conditions for making a deposit.
9. Click **Make Deposit**.

#### Make a one-time deposit using the mobile app

1. Tap the menu button in the top left corner.
2. Tap **Payment and Banking**.
3. Tap **Make a One-Time Deposit**.
4. Enter the amount you want to transfer.
5. Select the bank account you want to transfer the money from.
6. Enter the date that the transfer will be posted.



7. Enter the tax year for the transfer.
8. Tap **Make Deposit**.

## Schedule a recurring monthly deposit

You can set up reoccurring deposits from your personal bank account. You can choose both the amount and the date that deposits are added to your HSA each month.

### Schedule a recurring monthly deposit on [www.hellofurther.com](http://www.hellofurther.com)

1. Sign in at [www.hellofurther.com](http://www.hellofurther.com).
2. Choose **Make a Deposit** from the *I Want To...* menu.
3. Click **Set up a Recurring Deposit**.
4. Enter the amount you want to transfer and click **Next**.
5. Select the bank account you want to transfer the money from.
6. Choose which day of the month you'd like the deposit to be initiated.
7. Agree to the terms and conditions for making a deposit.
8. Click **Make Deposit**.

### Schedule a recurring monthly deposit using the mobile app

1. Tap the menu button in the top left corner.
2. Tap **Payment and Banking**.
3. Tap **Schedule a Monthly Deposit**
4. Enter the amount you want to transfer.
5. Select the bank account you want to transfer the money from.
6. Enter the date that the transfer will be posted.
7. Enter the tax year for the transfer.
8. Tap **Make Deposit**.

## Frequently asked questions

**Q:** For new HSAs, are maximum contributions prorated on a monthly basis?

**A:** Annual HSA contributions for new HSAs are not prorated on a monthly basis as long as you are HSA- eligible on December 1 and maintain HDHP coverage throughout the subsequent 13-month testing period. The testing period begins on December 1 in the year the qualified HDHP coverage is obtained and runs through December 31 of the following year. The testing period is also called the “13-month rule.” Enrolling in an HDHP and establishing an HSA any time after January 1 triggers the “testing period” if you contribute the maximum amount to your HSA. If you do not satisfy the 13-month rule, contribution limits are prorated and tax consequences apply. See Chapter 5, Section 1.2 on page 37 for examples of pro-rated maximum contribution amounts.



**Q: What if contributions exceed the annual limit?**

**A:**

If you contribute more than the IRS contribution limit for the year, the excess contributions are subject to an excise tax of 6%. This means that you will owe 6% of the amount you went over. These excess contributions are taxed regardless of whether they came from you or your employer.

#### **Example**

Mark contributed to the maximum amount for last tax year, forgetting that his employer also contributes to his account quarterly. His employer's last quarterly contribution put Mark's yearly HSA contributions \$100 higher than the IRS allows. Mark will owe the IRS 6% of those excess contributions--or \$6.

#### **Keep in mind**

- Excess contributions can't be counted as tax deductions and should be added back to your gross income.
- Any income (such as interest) you earn from excess contributions counts as taxable income.
- If an upcoming employer contribution will go over the limit, you must make every reasonable effort to notify your employer before the contribution is made.
- The excise tax is cumulative and continues in future years if the excess contribution is not distributed.

#### **What to do if you contribute more than the limit**

If you did contribute too much to your HSA, you can avoid the IRS penalties by withdrawing the extra contributions and any income earned from them before the tax return deadline (including extensions). For calendar-year taxpayers, this is generally the following April 15<sup>th</sup>. Any extra earnings should be entered as "other income" on your tax return for the year.

It can be difficult to identify when you went over the limit and how much income you earned on the excess contributions, so call Further customer support at 800-859-2144, 7 a.m. to 8 p.m. Central Time, Monday through Friday and we can help.

**Q: What if I withdrew money from my HSA by mistake?**

**A:**

You can correct mistaken HSA withdrawals when there is clear evidence that amounts were distributed from an HSA because of a mistake. Repay the withdrawal no later than April 15 the following year. The repayment does not count as an excess contribution.

If an error is made by Further in its role as the administrator, Further is responsible for taking corrective action.

**Q: Can employee pretax HSA contributions be changed throughout the year?**

**A:**



Yes. Eligibility requirements and contribution limits for HSAs are determined on a month-by-month basis. You can start or stop contributing or increase or decrease the amount at any time, if the change is made after the change request is received.

**Q: Can I roll over or transfer funds from an existing HSA or MSA to an account with another custodian?**

**A:**

Yes. The assets in your current account will be withdrawn and distributed to you. You must deposit the money into the new account with Further within 60 days of the withdrawal to avoid tax penalties.

Further can also transfer an existing account from another custodian to a new Further account.

**Q: If my HSA is set up midyear (after my FSA), can I change my FSA contributions for the rest of that year?**

**A:**

When your coverage changes, your contribution limit changes with it.

A change to family coverage will allow you to contribute up to the family limit. There are two ways you can do this:

1. Make a prorated contribution based on when the family coverage was in effect.
2. Make the full family annual maximum contribution, but coverage must be kept through December of the following year.

Changing to single coverage requires you to decrease the contribution amount for any month in which single coverage was in force for a portion of the month.

**Note:** When your health insurance plan changes, update your health plan information in your profile on [www.hellofurther.com](http://www.hellofurther.com). This way, we can alert you when you're nearing your maximum contribution level.

**Q: Can I contribute to an HSA at the same time as an FSA and/or HRA?**

**A:**

You can contribute to an HSA while covered by the following types of medical FSAs and/or HRAs:

- Limited purpose FSA and/or HRA
- Suspended HRA
- Post-deductible FSA and/or HRA
- Retirement HRA

You cannot contribute to an HSA while covered by the following types of medical FSAs:

- A general purpose medical FSA that pays for all eligible expenses
- A general purpose medical FSA with a grace period (unless the FSA has a \$0 balance at the end of the plan year)



**Q: Can an individual and their spouse have family HDHPs and HSAs?**

**A:**

Two spouses with a family HDHP have a maximum annual HSA contribution of \$7,200 in 2021. This contribution limit applies whether each spouse has their own HSA or if only one member of the family has an HSA.

The amount each spouse can contribute is split equally by default, but the family can change how the contributions are split if they so choose.

A family cannot share a joint HSA. Each spouse who wants to contribute to an HSA must open a separate HSA. Money cannot be transferred between the HSAs. A spouse may use withdrawals from his or her HSA for the eligible medical expenses of the other spouse, without penalty. However, money cannot be withdrawn from two HSAs to pay for the same expense.

Spouses with individual HDHPs can contribute up to \$3,600 in 2021. If the individual is age 55 or older, an additional \$1,000 catch-up contribution can also be contributed. See [Catch-up Contributions](#) to learn more.

For other tax situations, consult your tax advisor.

**Q: Is there a deadline for setting up and contributing to an HSA?**

**A:** There is no deadline to set up an HSA. HSAs can be created and contributed to at any time\*. However, HSA set up and contributions must be completed before the tax return due date to apply to the current tax year. Any contributions made after April 15 are applied to the following tax year. Extensions with the IRS do not affect this date.

**A:**

**A:** *\*Subject to the terms of the HSA custodial agreement.*

## Printable Forms

[Download the HSA Contribution form](#)

