

Medicare and Health Savings Accounts (HSAs)



HSAs are a great way to help lower your taxable income while you are actively working. But as you approach Medicare age, there are some important rules to keep in mind. As you start thinking about Medicare, we are here to help offer guidance, support, and answers to your questions.

I was automatically signed up for Medicare Part A. Can I still contribute to my HSA?

No. Since you're enrolled in Medicare Part A, you aren't eligible to contribute pre-tax dollars to your HSA. In order to qualify for an HSA, you can't have other coverage in addition to the high deductible health plan (HDHP). Medicare is considered other coverage.

Can I delay enrollment into Medicare?

It depends. If you work for a company of fewer than 20 employees, you may need Medicare to have coverage. If you work for a company of more than 20 employees, you will be able to defer your enrollment into Medicare because your group healthcare plan will pay first and then Medicare.

I want to delay my Medicare enrollment, who do I need to contact?

You will need to contact Social Security and let them know you are still actively working and contributing to an HSA. You can find contact information for Social Security at the bottom of this flyer.

Will my HSA contribution be impacted if I delay my Medicare enrollment?

No. If you delay your enrollment in Medicare, you can continue to make contributions past the age of 65 if you're still covered by an HSA-qualified HDHP. You can also continue to make the yearly catch-up contributions.

Will the money I put in my HSA be available tax-free for medical expenses?

Yes. You can continue to use the HSA money tax-free for medical expenses like copays, deductibles, and premiums.

When should I stop contributing to an HSA if I'm about to retire?

You should stop contributing to your HSA at least 6 months before picking up Part A. If you don't, you could incur a tax penalty.

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Can I use my HSA to pay for other premiums?

If you're 65 years old or older, you can use your HSA to pay for Medicare premiums and out-of-pocket expenses – including deductibles, copays, and coinsurance. If you aren't 65 years or older, Medicare premiums for a spouse or dependent aren't a qualified medical expense. You can't pay premiums for Medigap or other supplemental insurance with your HSA.

What if my spouse has Medicare but wants to enroll on my plan since I am still actively working?

Your spouse can enroll, but it is important to understand that your spouse will not be eligible to contribute to the HSA.

Can my domestic partner benefit from the tax advantages of an HSA?

Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that isn't considered a marriage under state law aren't considered married for federal tax purposes. For federal tax purposes, marriages of couples of the same sex are treated the same as marriages of couples of the opposite sex. The term "spouse" includes an individual married to a person of the same sex.

<https://www.irs.gov/publications/p969>

Why doesn't my domestic partner qualify for a Medicare deferral?

Social Security does not offer domestic partners the same rights as legal spouses. Domestic partners who are not considered married under state law do not have the same rights, and if they do delay signing up for Medicare, they may face late enrollment penalties. So, they must sign up when they are first eligible.

Finally, we recommend always consulting a tax professional with questions regarding your HSA.



For questions regarding enrolling or delaying your enrollment in Medicare, contact Social Security at **SSA.gov** or at **1-800-772-1213** (TTY **1-800-325-0778**) Monday through Friday, 7 a.m. to 7 p.m.