


POLICY ID: <i>HR-012</i>		TITLE: <i>Health Savings Account Policy</i>	
<input type="checkbox"/> ORIGINAL	<input checked="" type="checkbox"/> REVISION 12/27/2022	APPROVED BY VILLAGE BOARD:	DATE: 12/27/2022
EFFECTIVE DATE: 01/01/2023		Village Clerk: 	
APPLIES TO:	<input checked="" type="checkbox"/> FLSA EXEMPT	<input checked="" type="checkbox"/> FLSA NON-EXEMPT	
	<input checked="" type="checkbox"/> REPRESENTED EMPLOYEES	<input checked="" type="checkbox"/> Non-REPRESENTED EMPLOYEES	
<i>This policy applies to all Village of Kronenwetter employees in the categories checked in this section. Provisions within individual personal contracts or a collective bargaining agreement may supersede certain parts of this policy.</i>			

Purpose

The Village offers a High Deductible Health Plan (HDHP). The HDHP plan entails having a health plan with a high deductible, making the premium that the Village and the Village Employees pay lower overall. So that the cost of the higher deductibles does not overburden the Village employee(s) and make the Village less than a desirable employer of choice, the Village has put in place a Health Savings Account (HSA) program that any employee that is part of the Village HDHP coverage may take advantage of while employed by the Village. The HSA is the employee's account and is portable from employer to employer, hence upon leaving employment with the Village, the employee can take their health savings account with them to utilize with another employer who offers a HDHP or use into retirement.

Procedure

Any employee who wishes to take advantage of the HSA program is required to open a qualifying HSA account at a financial institution of their choice. Once established the employee then reports to the Village Clerk the account information so direct deposit contributions can be made by the Village to that account. The Village and employee(s) will make contributions on the regular payroll pay days of the Village, and the employee may utilize their HSA account for any qualified medical expense.

Specifically, the Village will do the following:

- Once the employee has opened up their own private HSA account, and reported the account to the Village Clerk, the Village will annually **contribute** one thousand one hundred fifty dollars (\$1,150) to a Health Savings Account (HSA) for each employee subscribing to single coverage and two thousand two hundred fifty dollars (\$2,250) for family coverage via direct deposit. Prorated payments in the employee's HSA shall be made within (15) days of the beginning of each calendar quarter.
- Employees may elect to personally contribute to their HSA through payroll deduction. The Village shall **match** employee contributions to his/her HSA up to one thousand three hundred fifty dollars (\$1,350) for someone with single coverage and two thousand seven hundred fifty dollars (\$2,750) per year for someone with family coverage, up to a maximum annual contribution allowed by law. Contribution rates vary from year to year and employees are encouraged to review the US Department of Treasury rules for the maximum amount allowable. Village matching contributions shall be made via direct deposit to the Employee's HSA account and shall be made each pay period that the employee contributes.

The Village will require that Village employees be responsible for any and all administrative fees on their own HSA accounts and also for ensuring that their individual HSA is utilized in accordance with all current and applicable laws. For more information employees are encouraged to review HSA rules that are available on the Federal Government's website, at www.treasury.gov