

Question: Our Company offers a High Deductible Health Plan with a Health Savings Account (HSA). Can employees contribute to the HSA once they have turned 65? I have a number of such employees who want to enroll in the HDHP and participate in the HSA.

Answer: The quick answer is that it depends. Although the relevant regulations say employees can't make HSA contributions after they become "eligible for Medicare," that language is a bit misleading. In order to be considered "eligible for Medicare" for the purpose of the HSA rules, the individual has to actually enroll in Medicare. If the individual is receiving social security benefits, he or she will automatically be enrolled in Medicare and will no longer be eligible to contribute to an HSA. However, if an employee turns 65, elects to delay social security benefits, and does not enroll in Medicare, then he may continue to make the full annual HSA contribution until the year in which he either starts receiving social security benefits or actually enrolls in Medicare. (There may be other ramifications to delaying Medicare.)