

## HSA CHANGES FOR 2007

PROVISION	PRIOR TO JANUARY 1, 2007	EFFECTIVE JANUARY 1, 2007
Annual contribution allowance	Lesser of the selected deductible or \$2,700 individual/ \$5,450 family	\$2,580 individual/ \$5,650 family regardless of the selected deductible
Annual contribution allowances for mid-year enrollment	Amount prorated according to the number of months of HSA eligibility for the year	\$2,850 individual/ \$5,650 family if the accountholder remains HSA eligible for at least 12 months
IRS-fund transfers into HSA's	Not allowed	Accountholders may make a one-time transfer from individual Retirement Accounts (IRAs) into as HSA. The amount transferred is subject to the annual contribution allowance, and the accountholder must remain HSA eligible for at least 12 months.
Comparable employer contributions	Required	Employers may make higher contributions for non-highly compensated employees- those who are not owners of five percent or more of the business, or among the most highly paid in the company.
Cost-of-living adjustment (COLA) notification	Notification given after August 31	Notification required by June 1
FSA- and HRA-fund transfers into HSA's	Not allowed	Accountholders may make a one-time transfer from health Flexible Spending Arrangements (FSAs) and Health Reimbursement Arrangements (HRAs) into an HSA as long as :1) the transfer occurs before January 1, 2012, and 2) the amount transferred is no more than the FSA or HRA balance on September 21, 2006
HSA contributions during FSA grace periods	Not allowed	Accountholders may make HSA contributions even while in an FSA grace period if: 1) there is no money remaining in the FSA, or 2) the FSA funds are transferred into the HSA subject to the FSA-transfer guidelines shown above.