Merced School Employees Federal Credit Union

MSEFCU

HSA Frequently Asked Questions:

What is a Health Savings Account?

A health savings account (HSA) is a tax-advantaged medical savings account available to taxpayers in the United States who are enrolled in a high-deductible health plan (HDHP). The funds contributed to an account are not subject to federal income tax at the time of deposit.

How do I know if I have a High Deductible Health Plan (HDHP)?

To be considered a HDHP, it must meet the following minimum annual deductible, maximum annual deductible and other out-of-pocket expenses for HDHPs for 2026:

	Self-Only Coverage	Family Coverage
Mininum Annual Deductible	$1,700	$3,400
Maximum annual deductible and out-of-pocket	$8,500	$17,000

Check with your employer or with your current insurance provider to see if your health plan is HSA eligible.

How much can I contribute to my HSA each year?

As long as your High Deductible Health Plan was opened on or before December 1, you and your employer are eligible to make contributions up to, but not exceeding, the maximum of $4,400 for individual coverage, or $8,750 for family coverage. These numbers are valid for 2026. If you are age 55 or older, you can also make additional “catch-up” contributions of up to $1,000 per year.

If I want to move my HSA from another financial institution to MSEFCU what do I need to do?

If you currently have a Health Savings Account somewhere else, simply come in to our Main Branch with your existing HSA statements and we will fill out the paperwork to move it over.

Does MSEFCU offer a loan to help fund my HSA account?

Yes. MSEFCU has an HSA loan for the purpose of funding your HSA to help with your medical needs. You can borrow up to $4,400 for individual coverage and up to $8,750 for family coverage. If you are over age 55 you can borrow up to an additional $1,000. For more details contact our Loan Department at 209-383-5550 x141 or x142.

Can I take money out of an HSA?

Yes. You can take money out anytime tax-free and without penalty as long as it's to pay for qualified medical expenses. If you take money out for other purposes however, you'll have to pay income taxes on the withdrawal plus a 20 percent penalty. Please seek tax advice from your tax professional.

What happens if I spend my HSA money on other things?

HSA funds used for anything other than "qualified medical expenses" are taxable as income and subject to a tax penalty. After you turn age 65, or if you become disabled, the tax penalty no longer applies.

What if I am no longer covered under a high deductible health plan (HDHP)?

Your HSA funds are never lost due to changes in employment or health plan. If at some point you are no longer covered by an HDHP, you still have access to your funds and can use them to pay for IRS qualified health care expenses; however you are no longer eligible to make contributions.

I'm on Medicare, am I eligible for an HSA?

You are not eligible for an HSA after you have enrolled in Medicare. If you had an HSA before you enrolled in Medicare, you can keep it. However, you cannot continue to make contributions to an HSA after you enroll in Medicare.

Where Can I Get More Information?

To learn more about Health Savings Account call us at 209-383-5550 x156/155, or visit our website at www.mercedschoolcu.org.

To learn about Health Savings Accounts in general, visit www.irs.gov and search "Publication 969" or "HSA".