

# Personnel Employee Bulletin

June 20, 2007

DLA Human Resources Centers (DHRC)  
New Cumberland, PA and Columbus, OH

## **Federal Employees Health Benefits (FEHB) Program: Pre-Tax Health Savings Account (HSA) Allotments for Federal Employees**

Starting in 2007, Federal employees who are enrolled in High Deductible Health Plans (HDHP) are now able to make pre-tax allotments to Health Savings Accounts (HSAs) through The Federal Flexible Benefit Plan (FEDFLEX). The Office of Personnel Management has worked with payroll providers and employee self service systems to provide this service. By January 1, 2008, all eligible employees will be able to make these allotments to their HSAs. The Defense Finance and Accounting Service (DFAS) payroll system is being updated and will have the capability to process these types of allotments effective September 2, 2007.

Employees may establish pre-tax HSA allotments using the same method used to establish other allotments; additional instructions will be provided to employees regarding establishing, altering or canceling allotments.

Unlike Flexible Spending Account allotments, employees who elect HSA allotments may modify their allotments at any time so long as the change is prospective and in accordance with the administrative procedures established by the payroll provider. The HSA allotment election will continue until the employee modifies or revokes the allotment election.

Internal Revenue Service limits apply to the amounts that can be set aside each year in HSAs. The 2007 HSA maximum contribution limit is \$2,850 for single coverage or \$5,650 for family coverage. Individuals who are 55 or older may make an additional catch-up contribution of \$800 in 2007. FEHB enrollees in HDHP's should be aware the premium pass-through amounts they receive from their health plan count toward the IRS limits. For more information regarding pass-through amounts and contribution limits enrollees can visit [http://www.opm.gov/hsa/HSA\\_NetAmounts.pdf](http://www.opm.gov/hsa/HSA_NetAmounts.pdf). Employees are responsible for ensuring their enrollment and contributions are in accordance with IRS rules. Neither payroll providers nor self service system providers will verify employee eligibility or check to ensure employee contributions are within annual limits.

Additional information on HDHPs is available on the OPM webpage at [www.opm.gov/hsa](http://www.opm.gov/hsa).

For additional information, please contact your servicing DLA Human Resources Center, <http://www.hr.dla.mil/cntctus.htm>. The Personnel Employee Bulletin will be published on the first and third Wednesday of each month.