Employer FAQs

As an employer, do I have to contribute the same amount to every employee’s HSA?

Employer contributions to employee HSAs made through a cafeteria plan are subject to certain cafeteria plan nondiscrimination rules. As a result, in a cafeteria plan, it is generally prudent to contribute an equal amount to each employees' HSA.

Employers making contributions to employee HSAs outside of a cafeteria plan must make comparable contributions to all comparable participating employees. Comparable contributions must be either:

- The same amount; or
- The same percentage of the annual deductible limit under the HDHP covering the employees.

Comparable participating employees:

- Are covered by a HDHP offered by the employer;
- Are eligible to establish a HSA;
- Have the same category of coverage (self-only or family coverage); and
- Have the same category of employment (generally part-time or full-time).

As an employer, do I own my employees’ HSAs? Can I control how they spend the money in them?

No, you do not own your employees’ HSAs. An employee fully owns all HSA contributions and can spend HSA funds on eligible expenses as he or she desires.

As an employer, how much do I have to contribute to my employees’ HSAs?

As much or as little as you want, as long as you stay below the annual limit on contributions to the HSA.

Can I contribute to employees' HSAs without also offering a group health plan?

Yes, as long as those employees are eligible to have a HSA.

Do HSA contributions have to be made in equal amounts each month?

No, you can contribute in a lump sum or in any amounts or frequency you wish. However, keep in mind that the funds belong to the employee after they are deposited.

May a self-employed person contribute to a HSA on a pre-tax basis?

No. However, they can generally make contributions to a HSA they establish and take an "above-the-line" deduction for those contributions on their personal income tax returns.

My employees want to contribute to their HSAs but want to make sure they get a tax benefit out of doing so. How does that work?

Employees can contribute to a HSA in a tax-advantaged way either:

1. Through an employer-established cafeteria plan, which would allow the employee to make his or her HSA contributions on a pre-tax basis; or
2. Using after-tax income, but claiming an "above-the-line" deduction for all compliant HSA contributions on his or her personal income tax return.