



2023 Health Savings Account Payroll Deduction Form

Use this form to authorize the City of Wisconsin Rapids to start, change or cancel payroll deductions for contributions to your health savings account (HSA). You must already be enrolled in the City's High-Deductible Health Plan and have established a HSA account at WoodTrust Bank. Money you elect to be withheld on a pre-tax basis from your paycheck will be forwarded to WoodTrust Bank for deposit into your account. Please complete the entire form.

I wish to:	<input type="checkbox"/> Begin a deduction	<input type="checkbox"/> Change my deduction	<input type="checkbox"/> Stop my deduction	Effective date ____ / ____ / ____ <i>Please allow 10 business days for your payroll deduction to be set-up for your account.</i>
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Section 1: Employee Information				
<i>Last Name</i>	<i>First Name</i>	<i>M.I.</i>	<i>Work / Cell Phone</i>	<i>Department</i>

<i>HSA Health Plan Coverage</i>		
<input type="checkbox"/> HSA Single	<input type="checkbox"/> HSA Two Person	<input type="checkbox"/> HSA Family

Section 2: Calculate Your Per-Paycheck Contributions to Your HSA			
	HSA Enrollment Status		
	Single	Two-Person	Family
a. Internal Revenue Service (IRS) 2023 Contributions Limits	\$ 3,850	\$ 7,750	\$ 7,750
b. City of Wisconsin Rapids 2023 HSA Contributions	375	750	750
c. Maximum 2023 Employee HSA Contribution Amount	\$ 3,475	\$ 7,000	\$ 7,000
d. Additional "Catch-Up" contribution (<i>maximum \$1,000</i>) <i>You are eligible to make an additional "catch-up" annual contribution of \$1,000 if you have attained age 55 by the end of your taxable year. If you are 65 and older and not enrolled in Medicare, you can contribute to your HSA and continue to make "catch-up" contributions.</i>	\$ _____	\$ _____	\$ _____
e. Write in the total contribution you want withheld from your pay in 2023 (<i>cannot exceed line c. plus line d.</i>)	\$ _____	\$ _____	\$ _____
f. Enter the number of pay periods remaining in the year from the effective date	_____	_____	_____
g. Deduction Amount Per Pay Period (<i>line e. divided by line f.</i>)	\$ _____	\$ _____	\$ _____

Full-Contribution Rule or Last-Month Rule – IRS rules state that contribution limits must generally be pro-rated by the number of months you are eligible to participate in an HSA. If your eligibility does change, you will need to calculate your personal contribution limit. To do so, take the total allowed maximum employee annual contribution based on your coverage level, divide the amount by 12 and then multiply it by the number of months in the year you qualify.

If you are an eligible individual on December 1, it is possible to contribute up to the maximum annual limit for that year – even if you did not have eligibility for the full calendar year. However, if you elect to contribute more than the calculated pro-rated amount, the IRS requires that you maintain HSA eligibility through December 31 of the following year (referred to as the "testing period"). If you do not remain HSA-eligible through the testing period, income taxes plus a penalty will likely apply.

Switching Coverage Level Mid-Year – Due to a qualifying event, if you switch from single to two-person or family coverage and maintain that coverage for the full month of December, you may contribute the maximum family contribution for that year as long as you satisfy the Last-Month Rule and maintain the coverage through the “testing period”. If you do not retain the coverage through the “testing period”, the amount in excess of a pro-rated amount will likely be subject to incomes taxes plus a penalty.

If you change from two-person / family coverage to single coverage and have single coverage for the full month of December, the maximum allowable annual contribution to your HSA account is a pro-rated amount based on the number of months of each coverage.

Section 3 – Declare the Amount to Deduct Per Paycheck

I elect to contribute \$ _____ from each paycheck. This deduction request replaces any previous payroll deduction requests for HSA contributions.

I elect to have \$ _____ deducted on a one-time basis from my paycheck effective the first pay period that begins at least 10 business days after this form is received by the Finance Department.

If you previously elected to have an amount deducted on a per paycheck basis, do you want this deduction to continue?

Yes (the previously elected per paycheck amount will be in addition to the one-time deduction elected above)

No (checking “No” will cancel all future payroll deductions)

I elect to stop my HSA deduction – effective the first pay period that begins at least 10 business days after this form is received by the Finance Department

Section 4 – Employee’s Signature - Required

For the convenience of its employees, the City of Wisconsin Rapids permits employees to voluntarily deduct funds on a pre-tax basis from their paychecks to fund their Health Savings Account (HSA). Although the City handles the deduction and transmits the funds to WoodTrust Bank, all respects of managing and maintaining the HSA are the responsibility of the employee. Therefore, my signature below indicates my agreement that:

- ▶ I am enrolled in the City’s HSA High-Deductible Health Plan.
- ▶ I am responsible for adhering to the Federally-established HSA contribution limits.
- ▶ I am responsible for filing an IRS Form 8889 with my annual tax return and am responsible for maintaining all account records necessary for IRS audit purposes.
- ▶ I hereby authorize the City to deduct the amount specified above from each of my paychecks for subsequent transmission to my HSA account held by WoodTrust Bank.
- ▶ I understand this deduction will continue for the duration of my employment or until I submit a Health Savings Account Payroll Deduction Form to have deductions stopped. You are required to take action to stop deductions when you cease to participate in the City’s HSA High-Deductible Health Plan.
- ▶ In the event that the City deposits funds erroneously into my HSA account, I authorize the City to debit my account for an amount not to exceed the original amount of the erroneous credit.
- ▶ I understand this deduction (or change to my existing deduction) will be effective the first pay period that begins at least 10 business days after this form is received by the Finance Department.

By signing this form, I am requesting that payroll deductions be established or modified as indicated in Section 3 above and agree to the preceding terms. I understand there are maximum limits I can contribute to my HSA per IRS rules and I may be liable for tax penalties if I exceed the applicable limit(s). The information contained herein is not meant to give individual tax advice. You are encouraged to seek the advice of a tax professional if you have questions or need clarification.

Employee’s Signature

Date

Return the original form to the Finance Department. Keep a copy for your records.