

Incompatible Enrollment Examples



INCOMPATIBLE JOE

MEDICAL FSA WITH A LIMITED OR COMBINATION FSA	HSA WITH AN INCOMPATIBLE HRA	HSA WITH A MEDICAL FSA
<p>Joe is going through open enrollment and his employer is now offering an HDHP along with a Limited FSA and an HSA. Joe elects into both the medical FSA and the Limited FSA, which are incompatible enrollments.</p> <p>SOLUTION: Joe is only eligible to enroll in one of the benefits. If Joe is enrolled in an HDHP and participates in an HSA, he is not eligible to enroll in the full FSA. He may only enroll in a Limited FSA with an HSA.</p>	<p>Joe enrolls in an HSA and a general purpose HRA through his employer. However, HRAs are only compatible with an HSA if they are restricted to comply with HSA enrollment. (e.g. A Limited HRA)</p> <p>SOLUTION: Whichever benefit Joe enrolled in first would be maintained. If he wanted to remain enrolled in an HSA and an HRA, the HRA would have to meet HSA compatibility requirements.</p>	<p>Joe, a long-time employee going through open enrollment for his I/I plan, elects an FSA. In July, his wife has a baby (a qualifying event) and he enrolls in an HDHP, which triggers his ability to elect an HSA. He elects the HSA and is simultaneously enrolled in both a medical FSA and an HSA, which are incompatible enrollments.</p> <p>SOLUTION: Because Joe was already enrolled in a medical FSA, his original enrollment would be maintained. Changing from an FSA to an HSA would only be accepted if he was still in his OE period.</p>