



Memorandum 2019 – 4

TO: Primary Authorized Agents, Authorized Agents And Finance Contacts for Higher Education Employers

FROM: North Dakota Public Employees Retirement System

DATE: April 29, 2019

SUBJECT: NEW! Pre-Tax Health Savings Account Contributions for High Deductible Health Plan Participants

As of July 1, 2019, employees participating in the NDPERS High Deductible Health Plan (HDHP) will have the option to contribute to their Health Savings Account (HSA) on a pre-tax basis. Changes made by employees to their HSA contribution will be included on the benefit enrollment report. Efforts are currently being completed to update PeopleSoft with the new deduction codes needed to incorporate this new feature.

NDPERS will communicate this opportunity to employees enrolled in the HDHP prior to July 1, 2019.

Payroll: Before and After

Currently, employees can only submit HSA contributions directly to Sanford Health Plan as an after-tax contribution. **Starting with any payroll paid after August 1, 2019, employees can also contribute to their HSA through a pre-tax payroll deduction.** Employees will be able make changes to their contributions anytime throughout the year. **Important:** *Employees are not allowed to make HSA after-tax deductions through payroll.*

Your organization must ensure employee HSA pre-tax deductions can be processed in compliance with HSA annual limits. Employers are also responsible for ensuring these deductions are reported on the employee annual W-2 tax form. *As a reminder, participation in an HSA is only an option for HDHP members.*

The 2019 limits are as follows based on the employee's HDHP coverage level:

Single HDHP Coverage: \$3,500
Family HDHP Coverage: \$7,000
Age 55+ Catchup: \$1,000

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Fricke".

Rebecca Fricke
Chief Benefits Officer
NDPERS