



Benefits Briefing

[Return to Tri-Star Web Site](#)

**March 8, 2004 Issue #
7**

Editor's Note

In an effort to keep you informed of regulation issues and new developments, we will be sending quarterly issues of our newsletter, **Benefits Briefing**. If there are HR contacts at your company who would benefit from this, please give us their names and email addresses, and we will add them to the distribution list.

in this issue....

- [Health Savings Accounts \(HSAs\)- Are they in your future?](#)
- [Social Security Online](#)
- [Employee Benefit Statements](#)
- [How To Contact Us](#)

Health Savings Accounts (HSAs)- Are they in your future?

Now that the 2004 Open Enrollment process is over for most employers, it is time to look toward the future. Will HSAs be in yours?

For an individual to participate in an HSA he must be enrolled in a qualified high-deductible health plan (“HDHP”). An HDHP must have a deductible of at least \$1,000 individual or \$2,000 family and an out-of-pocket limit, including deductibles and coinsurance, of not more than \$5,000 individual or \$10,000 family. He must also not participate in any other health plan, other than certain “permitted coverage”, including dental, vision and long term care. The HDHP can also have first dollar preventive care and higher out-of-network limits.

For eligible individuals under 55, the maximum annual contribution is limited to the lesser of the annual deductible or \$2,600 individual, \$5,150 family in 2004 and adjusted for inflation in future years. *It appears that a plan with a \$2,500 deductible and \$2,500 coinsurance maximum would allow for faster accumulation of contributions into the HSA compared to a \$1,000 deductible with a \$4,000 coinsurance maximum.*

At least two things need to happen before we can really begin evaluating how HSAs might fit into our future benefit options. First, the Internal Revenue Service and the Department of Labor must issue additional guidance. That is expected soon. Two of the key issues they must address are what first dollar preventative care benefits are permitted in an HDHP and how must the HSA be trusted and adjudicated.

Secondly, insurance companies must offer qualified HDHP insurance products. A few companies, like Golden Rule and Fortis, have begun offering individual products qualifying as HDHPs and we understand most large insurers will be offering group plans soon. The pricing of these products will be critical to the success of HSAs. *It also seems critical that the products include the negotiated discounts that the large insurers have with medical providers.*

It will be interesting to see if HRAs and other “consumer driven health plan” trends are part of a solution to the double digit health care inflation crisis, or just a shift of the burden from employers to employees. We will continue to monitor the trends in future articles.

[Back to Top](#)

Social Security Online

Benefit professionals and administrators frequently receive questions from employees about their social security benefits. With Alan Greenspan's recent comments and the Baby Boomers nearing retirement age, questions about social security benefits will become more frequent. An excellent resource is the Social Security Administration's recently updated and enhanced website (<http://www.socialsecurity.gov/>). It contains much helpful information, including:

- Benefit Planners – to help calculate estimates of retirement, disability and survivor benefits.
- Social Security Statement Explanation – help for understanding the annual statement mailed to anyone over age 25 contributing to social security. This statement is normally mailed about 2 months prior to your birthday and shows your earnings history and estimates your future retirement benefit.
- Retire online – Apply online for Social Security benefits.
- Social Security eNews – sign up for the Social Security Administration's free electronic newsletter.
- Social Security Office Locator – a service to locate the nearest SSA office based on ZIP Code.
- And many more helpful links.

<http://www.socialsecurity.gov/> may be a site you want to add to your favorites.

[Back to Top](#)

Employee Benefit Statements

Communicating to your employees the total value of their compensation and benefits package can be very challenging. Tri-Star can help design and produce a "Custom Benefit Statement" for your employees highlighting the cost and value of their benefits.

Tri-Star has 12 years of experience producing customized and personalized employee benefit statements ranging from 1 to 16 pages. Contact Ken Dixon at ken.dixon@tri-starsystems.com or call 314/985-0284 to learn more.

[Back to Top](#)

Contact Us

Please feel free to forward this issue to friends and associates. Anyone can **subscribe** for free: Email stacy.hargrave@tri-starsystems.com and ask for the newsletter. Please include the name and email address of the person you wish to receive the newsletter.

To **unsubscribe** from this list: Email stacy.hargrave@tri-starsystems.com with the word "unsubscribe" in the subject line or anywhere in the email.

TO CONTACT US:

Stacy Hargrave

Tri-Star Systems

stacy.hargrave@tri-starsystems.com

14323 South Outer 40 Road, Suite 400 North
Chesterfield, MO 63017-5734

(314) 985-0262 or (800) 727-0182 Ext. 115

[Back to Top](#)

[Visit Us at <http://www.tri-starsystems.com/>]

© 2003 Tri-Star Benefit Systems, Inc.