

## Overview

A Health Savings Account (HSA) is a savings plan that offers the ability for employees to pay for current health expenses and save for future qualified medical expenses on a tax-free basis. An employee must be covered by a High Deductible Health Plan (HDHP) to enroll in an HSA.

## Benefits

In Workforce Now, an employee enrolls in an HSA when selecting their benefits. As a practitioner, you would go to **People → Benefits → Enrollments**.

There is a limitation built into Workforce Now and updated by ADP each year that reflects the IRS contribution limits. Working in tandem with this, you must specify over how many pay periods this deduction amount should be taken. This gives you the ability to front load the deduction instead of having to spread it out evenly over the course of the year.

If you are concerned about employees contributing over the limit, payroll goals can be set up. These goals must be cleared every year or the values won't reset and deductions may be missed or taken in error.

## Payroll

### Direct Deposit

If your company allows employees to select their own bank for their HSA account you will need to take the following steps.

The employee must have a direct deposit account set up using one of the deduction codes for your company's HSA accounts (ex: HSC, HSS, HSD). The Deduction Amount for the direct deposit account should be setup in the amount of \$.01.

**People → Pay → Pay Profile → Direct Deposit**

If your company is not sending the HSA funds en masse and the employee does not have a direct deposit account created, the HSA deduction will be in limbo and will need to be correct for proper funding/recording.

### Deduction Goals

As stated above, if you are concerned about employees going over the contribution limit, a Deduction Goal should be setup that will need to be cleared each year.

**People → Pay → Pay Profile → Deduction Goals**

Select the Goal # and the HSA deduction code → Enter the dollar amount of the limit → Select done

## Balancing HSA Contributions on the Payroll Register

HSA amounts should be verified on the Payroll Preview Register before accepting payroll.

### With Employer Contribution

- ✓ If you are setup with an Employer contribution, this amount will show up with a memo code on the Payroll Preview Register (arrow 1)
  - HRB cannot pass an amount directly to a memo code, therefore a deduction code needs to be set up if the Employer contribution is coming from HRB and passing to Payroll.
  - On the back end, the deduction code needs to convert the Employer contribution to a memo code in Payroll. ADP needs to set up this calculation.
- ✓ If your Employees contribute this will show up with a voluntary deduction code on the register (arrow 2)
- ✓ If you are setup to have the contributions deposit directly into the employee HSA account this number will be on the preview and should reflect the total of the employee and employer contributions amounts (arrow 3)
- ✓ If the HSA direct deposit amount is correct this number needs to match the HSA Offset amount (arrow 4)

EARNINGS ANALYSIS:	1,200.00	O OOUT																		
MEMO ANALYSIS:	111,880.47	J COMP	3,123.37	P NEC	959.59	HSA HSA														
STATUTORY DED. ANALYSIS:	4,186.10	D1 NY																		
VOLUNTARY DED. ANALYSIS:	510.00	D DENTL	3,430.84	H HEALTH	5,001.47	K 401K	478.41	L KLOAN												
	506.15	M MILEAG	100.00	U CHECK	95.47	V VISION	4,709.54	W SAVING												
	58,251.29	X CHECK	10,472.21	Y CHECK	642.55	Z SAVING	157.88	8 ROTH												
	32.28	AF AFL	108.33	UW UNITED	305.13	10 MED FS	240.00	11 DEP FS												
	165.73	12 SUPPLF	1,088.21	13 HSA	2,057.84	14 HSA DD	2,057.80	15 HSAOFF												
	492.11	42 KLOAN	283.84	43 KLOAN	507.72	73 GARNSH	207.46	74 GARNSH												
	829.34	75 SUPPRT	21.67	78 SUPPRT	87.64	ACC ACCINS	25.77	CR1 CRITIC												
NET PAYROLL:	1,543.48	CHECKS:	2	FLAGGED:	19	STARTING CHECK NUMBER:	SEE BELOW													
TOTAL DEPOSITS:	76,233.43	VOUCHERS:	86	NET CASH PAYS:	1,000.00	OR MORE	46	ENDING CHECK NUMBER:	SEE BELOW											
NET VOIDS:	.00	ADJUSTMENTS:						eVOUCHERS:	62											
NET CASH:	77,776.91							PAPER VOUCHERS PRINTED:	4											
ADP CHECK NUMBERS:	OMNI: 869							STARTING CHECK NUMBER:	73942304											
								ENDING CHECK NUMBER:	73942305											

### Without Employer Contribution

- ✓ If you are not setup with an Employer contribution, the memo code will not show on the register
- ✓ Your employees' contribution will show up with a voluntary deduction code on the register (arrow 1)
- ✓ If you are setup to have the contributions deposit directly into the employee HSA account this amount will be on the preview and should reflect the employee contribution (arrow 2)
- ✓ If the HSA direct deposit amount is correct, this number will match the HSA Offset amount (arrow 3)

EARNINGS ANALYSIS:	4,757.44	B BONUS	609.17	D DISABL	2,204.23	F BERV	4,064.48	I BANK												
	2,955.72	L FRINGE	4,097.37	P PERS	13,462.88	S SICK	54,201.85	V VAC												
	3.98	5 ORWBF	423.08	HA HALLOW	880.00	PU PHUSE	2,252.89	13 STOCK												
MEMO ANALYSIS:	2,461.06	G G.T.L.	17,154.00	M 401KER	765,453.46	T	74.23	U CA SUI												
	71,728.14	X																		
STATUTORY DED. ANALYSIS:	3,227.87	25 CA	92.00	15 CO	314.16	27 CT	139.70	08 DE												
	320.60	23 GA	103.49	21 IN	2,205.45	02 MA	286.38	05 MD												
	206.25	60 MI	109.00	22 MO	27,951.39	01 NY	219.35	30 OH												
	792.88	39 OR	371.53	50 PA	158.37	35 SC	137.60	28 UT												
	204.48	25 CA SUI/DI	8.88	50 PA SUI/DI																
	60.88	112K KENNETT TWP	15.22	2074 PORTER	85.88	3901 PHILADELPHIA	51.22	7958 HEMFIELD TW												
VOLUNTARY DED. ANALYSIS:	6,728.63	B 401KLN	399,837.10	C CHECK	41,298.34	I 401K	24,294.47	K 401K												
	2,955.72	L LTRDFW	43,343.63	S SAVING	1,498.95	T TERMLF	74.23	U CALIF												
	1,465.41	W LNTWAY	57,729.02	X CHECK2	7,528.09	Y SAVING	1,270.00	Z SAVING												
	2,305.20	1 DELDEN	5,727.15	5 ROTH	671.31	6 ROTH	33.85	TC TRMLC												
	129.28	TS TRM LF	25,827.72	10 CHECK3	12,724.12	21 UNCHIG	849.97	27 FLEXDE												
	3,060.50	28 FLEXHE	2.00	33 LST	400.58	38 ALLSTA	6,044.49	42 HSCHO												
	13,569.54	44 HSA	3.98	55 ORWBF	1,256.39	71 TAXLYS	325.01	73 GRNSH												
	1,231.14	75 SPRTS	13,569.54	HSD	13,569.54	HSD														