

Worksheets to Calculate Your HSA Contribution After A Mid-Year Change

How to Maximize Your Contribution and Avoid Taxes & Penalties



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Introduction

Qualifying Life Events affect your maximum annual Health Savings Account (HSA) contribution. When you gain or lose a health plan, or make a change to your HSA-eligible health plan coverage, the HSA contribution limit likely will have to be prorated. If the contribution amount is not prorated, you might be taxed on the excess contribution or charged penalties.

These worksheets help you determine your prorated contribution amount under three scenarios:

1. *Gaining or losing HSA-eligibility mid-year*
2. *A mid-year change from an individual to a family HSA-eligible health plan*
3. *A mid-year change from a family to an individual HSA-eligible health plan*

Plan ahead to avoid costly mistakes. Find the worksheet that matches your circumstances and do the math to discover your prorated maximum HSA contribution.

Did you Gain or Lose HSA-eligibility Mid-Year?

When you gain or lose HSA-eligibility mid-year, typically from a [Qualifying Life Event \(QLE\)](#), the annual maximum [Health Savings Account \(HSA\)](#) contribution needs to be prorated based on the calendar year. This is important because if you exceed your annual HSA contribution limit, the excess amount could be taxable and you could owe penalties.

How to Calculate the Prorated Maximum HSA Contribution

Using the table below, determine your total annual contribution limit based on individual or family coverage and whether you're eligible for a [catch-up contribution](#). Then, use the worksheet to find your prorated maximum HSA contribution for the year.

Contribution Limits for Individual and Family Health Plan Coverage		
Coverage Type	2020	2021
Individual (under age 55)	\$3,550	\$3,600
Family (under age 55)	\$7,100	\$7,200
Catch-up Contribution (age 55+)	\$1,000	\$1,000

Enter the total annual contribution limit based on the coverage type and catch-up contribution eligibility		\$
Divide by 12	÷	\$
Multiply by the number of HSA-eligible months for the calendar year	x	
Total annual contribution limit based on HSA-eligible months and coverage type	=	\$

Qualifying Life Event (QLE):

A change in one's situation—like getting married, having a baby, or losing health coverage—that can make someone eligible for a Special Enrollment Period, allowing them to enroll in health insurance outside the annual Open Enrollment Period.

Did you Have A Mid-Year Change From An Individual to Family HSA-eligible Health Plan?

When a mid-year change from an individual to a family health plan occurs, typically from a [Qualifying Life Event \(QLE\)](#), your annual maximum HSA contribution limit needs to be recalculated. This is important because if you exceed your annual HSA contribution limit, the excess amount could be taxable and you could owe penalties.

How to Calculate the Maximum HSA Contribution

This is done by calculating the amount of time on the individual plan and the duration that you expect to be on the family plan during a calendar year. Use the table and worksheet below to find your maximum HSA contribution for the year.

Qualifying Life Event (QLE):

A change in one's situation—like getting married, having a baby, or losing health coverage—that can make someone eligible for a Special Enrollment Period, allowing them to enroll in health insurance outside the annual Open Enrollment Period.

Contribution Limits for Individual and Family Health Plan Coverage		
Coverage Type	2020	2021
Individual (under age 55)	\$3,550	\$3,600
Family (under age 55)	\$7,100	\$7,200
Catch-up Contribution (age 55+)	\$1,000	\$1,000

Individual Prorated Maximum HSA Contribution		
Enter the total annual contribution limit based on individual coverage and catch-up contribution eligibility		\$
Divide by 12	÷	\$
Multiply by the number of HSA-eligible months for the calendar year	x	
Total annual contribution limit based on HSA-eligible months and coverage type	= A	\$
Family Prorated Maximum HSA Contribution		
Enter the total annual contribution limit based on family coverage and catch-up contribution eligibility		\$
Divide by 12	÷	\$
Multiply by the number of HSA-eligible months for the calendar year	x	
Total annual contribution limit based on HSA-eligible months and coverage type	= B	\$
Calculate the Cumulative Maximum HSA Contribution Limit		
Add A + B for the maximum HSA contribution limit	=	\$



Disclaimer: The content presented in these worksheets is intended for informational purposes only. Lively does not give tax, investment, legal, accounting, or financial planning advice. Investors should carefully consider all available information, including consulting with the qualified professionals, when making investment and financial planning decisions.

Did you Have A Mid-Year Change From A Family to Individual HSA-eligible Health Plan?

Changing from a family HSA-eligible health insurance plan to an individual plan, typically from a [Qualifying Life Event](#) (QLE), constitutes a mid-year HSA change. To avoid being penalized for exceeding the annual contribution limit, you need to recalculate the maximum yearly contribution limit.

How to Calculate the Maximum HSA Contribution

This is done by calculating the amount of time on the family plan and the duration that you expect to be on the individual plan during a calendar year. Use the table and worksheet below to find your maximum HSA contribution for the year.

Contribution Limits for Individual and Family Health Plan Coverage		
Coverage Type	2020	2021
Individual (under age 55)	\$3,550	\$3,600
Family (under age 55)	\$7,100	\$7,200
Catch-up Contribution (age 55+)	\$1,000	\$1,000

Family Prorated Maximum HSA Contribution		
Enter the total annual contribution limit based on family coverage and catch-up contribution eligibility		\$
Divide by 12	÷	\$
Multiply by the number of HSA-eligible months for the calendar year	x	
Total annual contribution limit based on HSA-eligible months and coverage type	= A	\$
Individual Prorated Maximum HSA Contribution		
Enter the total annual contribution limit based on individual coverage and catch-up contribution eligibility		\$
Divide by 12	÷	\$
Multiply by the number of HSA-eligible months for the calendar year	x	
Total annual contribution limit based on HSA-eligible months and coverage type	= B	\$
Calculate the Cumulative Maximum HSA Contribution Limit		
Add A + B for the maximum HSA contribution limit	=	\$

Qualifying Life Event (QLE):

A change in one's situation—like getting married, having a baby, or losing health coverage—that can make someone eligible for a Special Enrollment Period, allowing them to enroll in health insurance outside the annual Open Enrollment Period.

Cheat Sheet: Prorated Contribution Limits for 2020

Want prorated contribution limits off-the-cuff? Choose the plan type (individual, family, and catch-up) and align that column with the number of months you were covered under that plan type to determine the prorated maximum annual HSA contribution limit for 2020.

For example:

Self-only coverage (individual), for someone under 55, for 8 months would be \$2,366.

Number of months	Individual (Under Age 55)	Family (Under Age 55)	Catch-up (Age 55+)
12 months	\$3,550	\$7,100	\$1,000
11 months	\$3,254	\$6,508	\$916
10 months	\$2,958	\$5,916	\$833
9 months	\$2,662	\$5,325	\$750
8 months	\$2,366	\$4,733	\$666
7 months	\$2,070	\$4,141	\$583
6 months	\$1,775	\$3,550	\$500
5 months	\$1,479	\$2,958	\$416
4 months	\$1,183	\$2,366	\$333
3 months	\$887	\$1,775	\$250
2 months	\$591	\$1,183	\$166
1 month	\$295	\$591	\$83

Cheat Sheet: Prorated Contribution Limits for 2021

Quickly determine an annual HSA contribution limit using the table below. Choose the plan type (individual, family, and catch-up) and align that column with the number of months you were covered under that plan type to determine the prorated maximum annual HSA contribution limit for 2021.

For example:

Self-only coverage (individual), for someone under 55, for 8 months would be \$2,400.

Number of months	Individual (Under Age 55)	Family (Under Age 55)	Catch-up (Age 55+)
12 months	\$3,600	\$7,200	\$1,000
11 months	\$3,300	\$6,600	\$916
10 months	\$3,000	\$6,000	\$833
9 months	\$2,700	\$5,400	\$750
8 months	\$2,400	\$4,800	\$666
7 months	\$2,100	\$4,200	\$583
6 months	\$1,800	\$3,600	\$500
5 months	\$1,500	\$3,000	\$416
4 months	\$1,200	\$2,400	\$333
3 months	\$900	1,800	\$250
2 months	\$600	\$1,200	\$166
1 month	\$300	\$600	\$83



About Lively, Inc.

Lively is a modern Health Savings Account (HSA) platform for employers and individuals, built by pioneers of the HSA industry with decades of health, benefits, financial, and insurance industry.

Lively's top-rated, user-centric solution creates an intuitive user experience allowing consumers to get the most out of their HSA. Lively HSAs work alongside HSA-compatible plans to make healthcare easier for everyone. Lively's mission is simple: Inspire people to confidently embrace a healthy future.

Lively is headquartered in San Francisco, CA. For more information, please visit [Livelyme.com](https://livelyme.com) or contact us at sales@livelyme.com.