

Health Care Savings Plan

How health care savings plans work

Health care savings plans allow you to invest tax-free money in a health care savings account while you are employed with Hennepin County that you can use for qualifying medical expenses *after* you leave the county. These include medical, dental and vision expenses, including premiums, for you, your spouse, children up to the age of 26, and any dependents.

This benefit differs from health care [flexible spending accounts](#) you may use to get reimbursed for qualifying health care expenses *while* you are employed. This benefit also differs from health savings accounts, which often are associated with high-deductible health plans (currently not offered at Hennepin County).

Saving now is important because experts estimate that a couple retiring in 2019 will need \$285,000 to cover health care costs in retirement. Hennepin County's health care savings plan is managed by the Minnesota State Retirement System.

How the unified plan works at Hennepin County

Contributions to the unified health care savings plan will come from two sources starting with the July 26, 2019 paycheck:

- A 1 percent pre-tax payroll deduction
- 50 percent of severance (unused sick, vacation or PTO hours) when you leave the county, if you are eligible for severance

Things to note:

- Contributions, earnings and reimbursements for qualifying health care expenses (medical, dental and vision) including premiums are 100 percent tax-free.
- Minnesota State Retirement System offers a number of investment options with varying levels of risk. For information about details and options, see <https://www.msrs.state.mn.us/hcsp>.
- Any balance is transferred to your spouse, your legal dependents or your beneficiaries upon your death for their qualifying health care expenses.

Eligibility

You are eligible to take part if you are a non-union employee:

- In a regular/permanent or temporary unclassified position
- Work at least 20 hours per week

Most union employees already have some form of health care savings plan. Union employees will be able to join this new unified plan pending contract negotiations. [Find out more](#) information about participating employee groups.

To opt out of the plan, you must meet one or more of the following criteria:

- Be eligible for TRICARE retiree insurance benefits
- Have a military service-connected disability
- Be a foreign national who plans to return to your country of origin after you end employment
- Have comprehensive health insurance coverage provided for life that is at least 70 percent paid for by an employer other than Hennepin County

To request waiver, contact David Wrightsmith at MSRS at 612-964-8094.

Contact

For more information or questions how this may affect you individually, contact the Human Resources Service Center at 612-348-7855 or HR.ServiceCenter@hennepin.us.

For more information about investment options, contact [Minnesota State Retirement System](#) at 651-296-2761 or 1-800-657-5757.