

Dual Medical Coverage

Do you take ENGILITY’s medical coverage while also enrolled in other health coverage? This is called “dual coverage” and the IRS may restrict your ability to make or receive contributions to a Health Savings Account (HSA) if you’re enrolled in an ENGILITY medical plan **and** one of these other coverages:

- TRICARE (any plan)
- Medicare (Part A or Part B)
- A spouse’s healthcare FSA
- A spouse’s health plan that is not an IRS-qualified high-deductible health plan (HDHP)
- Care or prescriptions from the Veterans’ Administration (VA)

Eligibility for Engility’s Medical Coverage

Any benefits-eligible employee (regularly scheduled to work 30 hours or more per week) can enroll in an ENGILITY CDHP medical plan – even while holding other health coverage.

As is the case today, your TRICARE and/or Medicare coverage pays secondary if you are enrolled in an employer-sponsored health plan as an active employee or dependent.

Ability to contribute to an HSA

IRS regulations state that only individuals who are solely covered by a qualified HDHP may make or receive contributions to an HSA. All of ENGILITY’s CDHP options are qualified HDHPs. However, TRICARE, Medicare, a spouse’s FSA or other health coverage are not qualified HDHPs. So, if you are covered by an ENGILITY medical plan and one or more of these other plans, you are not allowed to make contributions to or receive contributions in an HSA.

You may still participate in ENGILITY’s CDHPs – but you won’t be able to use an HSA.

Medicare Coverage

If you have coverage through Medicare – either Part A or Part B – you can’t make or receive contributions to an HSA. Although Part B coverage is optional and can generally be deferred while you are covered by an employer-sponsored health plan, Part A coverage is free and automatic when you start receiving Social Security benefits.

TRICARE coverage

All plans under TRICARE (Standard, Extra, Prime, etc.) have been deemed by the IRS to not be qualified HDHPs. If you take Engility's CDHP as your primary coverage and also have coverage under TRICARE, you won't be able to make contributions to or receive contributions in an HSA. You may have the ability to defer your TRICARE coverage if you wish. Go to www.tricare.mil for more information.

Alternatively, Engility offers access to the TRICARE Supplement program offered by the American Military Retirees Association (AMRA). You can pay for this coverage through pre-tax payroll deductions.

Your spouse's Health Care Flexible Spending Account (FSA)

Your spouse's employer may offer a health care flexible spending account (FSA) to provide a tax-advantaged way to pay for eligible health care expenses.

If your spouse enrolls in his or her employer's health care FSA, you are automatically covered by the FSA. It's important to note that you are considered covered by your spouse's FSA even if you are not enrolled in your spouse's health plan. FSA rules provide no means to segregate who is covered under the FSA, so spouses are always considered covered.

A standard health care FSA is deemed to be other health coverage that is not a qualified high-deductible health plan. If your spouse enrolls in an FSA, you will not be able to make contributions to or receive contributions in an HSA during that time. You may enroll in Engility's Limited Purpose Health Care FSA if you wish to set aside pre-tax money to pay for eligible **dental** and **vision** expenses.

Coverage provided by the Department of Veterans Affairs (VA)

You may be eligible to receive health services or prescription drugs from a Department of Veterans Affairs facility. This eligibility will not preclude you from making or receiving contribution to your HSA unless you actually use these facilities. If you do, you will not be able to make or receive contributions for three months.