



Local 743

CONTRACT 2021



FLASH FLIER

UNION STRONG

Ratification Bonus Options

The company is giving all HBU employees on the company payroll as of the ratification date Sunday September 26th 2021, a \$2500 signing bonus with the option to deposit some or all of it into your HSA or 401K account(s). There will be a 50% match if you choose one of the 2 options (HSA or 401k) to deposit the money. If you choose to take the lump sum \$2500 as a payout it will be taxed as a bonus tax (approx. 40%) and there will NOT be a match. Please also keep in mind that 401k is subject to applicable withholdings, such as FICA.

Part of the agreement we just voted on also gives everyone seed money (deposited into their HSA account in addition to the signing bonus) as long as they have an open and active HSA account set up by January 1st 2022 with Fidelity and are eligible to contribute to an HSA based on the IRS rules and regulations. The process to open a Fidelity account and transfer your funds from PayFlex will be available during open enrollment in November. The company is changing from "PayFlex" HSA account to "Fidelity" HSA in 2022.

The amount of seed money is based on the HDHP coverage that you choose during open enrollment in November 2021 and is as follows:

\$750 = You Only **\$1125** = You + Spouse/You + Child(ren) **\$1500** = You + Family

If you choose to deposit some or your entire bonus into your HSA account be aware and use caution when deciding how much to deposit so you don't go over the HSA IRS limit for 2022 because you will be penalized.

The HSA 2022 contribution limits are as follows:

\$3650 for You Only (54 yrs. & under) + \$1000 additional if 55yrs or over for a total of \$4650

\$7300 for Family (Plus \$1000 additional if over the age of 55 = \$8300)

NOTE: People 54 yrs and younger that also have the "You Only" coverage CANNOT put the entire signing bonus in their HSA because they will go over the IRS limit and will be subjected to the penalties.

If you fall in this category do NOT deposit more than \$1750 of your signing bonus in the HSA otherwise you will exceed the limit.

Example: \$2500 Bonus + 50% match of \$1250 + \$750 = \$4500 this would exceed the IRS limit in that age (under 55 yrs) and coverage category (You Only).

Also be careful if you choose to deposit any/all bonus money into your 401K. The deposit will be made after November 4th, 2021. So again be aware of the IRS limits on your annual contributions made into the 401K in 2021. The total annual limit is \$19,500 plus an additional \$6500, (if over 50 years old) for a total of \$26,000. **The 401K annual IRS limit does NOT include the company matched money.**