

# Health Savings Account

## Why should I choose a health savings account (HSA)?

An HSA allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for healthcare expenses or use as a retirement savings tool. This plan offers tax savings that a 401(k) and IRA don't, making it a powerful option for diversifying your retirement portfolio.



### It's yours

An HSA isn't a "use it or lose it" account. Unspent funds roll over every year, and the account remains yours even when you switch employers. When you reach age 65, you can withdraw money (without penalty) and use it for anything, including non-healthcare expenses.



### Spend, save, and invest

Your funds can be spent on current eligible healthcare expenses, saved for future healthcare needs, or invested for retirement. Want to do all three? Set your investment threshold to mirror your deductible amount and invest any contributions above it to build your retirement nest egg.



### Flexibility

You can adjust your payroll deductions or contributions at any time, no questions asked.



### Save on taxes 3 ways

The money you contribute, your earnings from investments, and withdrawals for eligible expenses, are all tax-free.

### What does it cover?

There are thousands of eligible items. The list includes but is not limited to:

- Copays, coinsurance, insurance premiums
- Doctor visits and surgeries
- Over-the-counter medications (first aid, allergy, asthma, cold/flu, heartburn, etc.)
- Prescription drugs
- Birthing and lamaze classes
- Dental, orthodontia, and vision expenses, such as frames, contacts, prescription sunglasses, etc.

### Can I enroll?

You must be enrolled in a high-deductible health plan (HDHP) in order to enroll in the HSA. You're not eligible for an HSA if:

- You're claimed as a dependent on someone else's taxes.
- You're covered by another plan that conflicts with the HDHP, such as Medicare, a medical FSA, or select HRAs.
- You or your spouse are contributing to a medical FSA.

## Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to an HSA. The 2024 annual contribution limit is:

**Single coverage – \$4,150**

**Family coverage – \$8,300**

Please note: If you're 55 years of age or older, you are eligible to make an annual catch-up contribution, which lets you contribute an additional \$1,000 on top of the above annual contribution limits. To determine your contribution, we recommend setting a goal on what you plan to use your HSA for. Keep in mind you're not locked in to that decision and can change your contribution amount at any time.



# Getting started with your Health Savings Account

Your HSA has a lot of benefits. You can use it for out-of-pocket medical, dental, and vision expenses, and it can help you achieve your financial goals.

## Advantages of your HSA



### Triple tax savings

Employee and employer contributions are tax-free (contribute pre-tax through payroll or deduct at tax time), investments grow tax-free, and you can take out tax-free funds at any time to pay for or reimburse eligible out-of-pocket healthcare expenses.



### Build a safety net

HSAs are not “use it or lose it” accounts. Unlike flexible spending accounts (FSAs), unused HSA dollars roll over every year and continue to grow tax-free.



### Your HSA for life

Your HSA belongs to you, including employer contributions, even if you leave your job.

## Accessing + using your HSA is easy \*and\* convenient!

You can log into your online account or mobile app to:

- Check your balance
- Check if an expense is eligible
- Upload receipts or EOBs for tax purposes
- Enter, view, and pay expenses
- Contribute to your HSA
- View and manage investments
- Contact customer service

It's never too late to achieve financial security, especially since we're living longer lives than ever before. It's important to build your savings while you're still in the workforce. Savings goal calculators and easy-to-use tools can guide your goal-setting and decision-making.

## Make your HSA work for you

When you contribute and invest \$4,000 a year to your HSA, your account can grow to \$90,630 in 15 years and even to \$279,000 in 30 years!\*

**Plus:** The more you contribute to your HSA, the more you save on taxes. And, at age 55, you can contribute an additional \$1,000 over the IRS annual contribution limit.

*\*Based on an annual contribution of \$4,000, no distributions, and an annual ROI of 5%.*

