

# Health Savings Account

A Health Savings Account (HSA) is a tax-advantaged account that can be used to pay for eligible healthcare expenses that are not covered by an insurance plan, including deductibles and coinsurance.

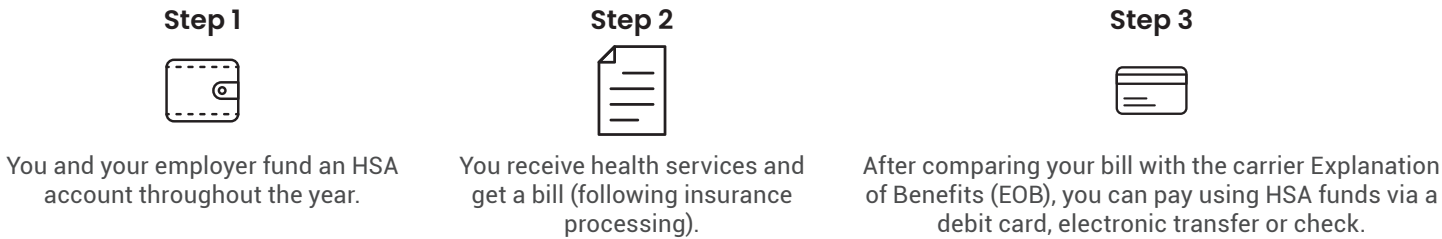
## Contribution Limits for 2025

You can either fund your HSA with post-tax payments and receive a deduction on your tax return, or you can fund your HSA with pre-tax dollars. In addition, your employer makes a contribution to your HSA as shown below. The IRS limits how much you can contribute to this account each year, and employer contributions do go towards this maximum.

Contribution Amounts	Individual	Two-Party or Family
2025 IRS Maximum Contribution	\$4,300	\$8,550
Age 55+	The IRS allows you to make "catch-up" contributions up to an additional \$1,000 in 2025.	
Employer Contribution Amounts	Individual	Two-Party or Family
Semi-Monthly Contribution	\$24.41	\$69.04

## How a Health Savings Account Works

When you have an eligible healthcare expense, you can use tax-free dollars from your HSA account to pay for it. Here is how the process may typically work for you to apply your HSA funds.



## Reasons to Elect a Health Savings Account

When you have an eligible healthcare expense, you can use tax-free dollars from your HSA account to pay for it. Here is how the process typically works for you to apply your HSA funds:

Tax Benefits

- HSA contributions are excluded from federal income tax.
- Interest earnings may be tax free.
- Withdrawals for eligible expenses are exempt from federal income tax.

It's Your Account

- This is your account; you take it with you.
- If you leave your employer, you can keep your current HSA account or transfer your funds to an HSA with your new employer (or another qualifying account) within 60 days.

Long-Term Planning

- Save for future medical expenses, including retiree medical
- Funds roll over from year to year, so your account can grow if you do not use the funds in the year they were contributed.

## HSA vendor contact information:

- Optum Health Bank
- By Phone: 800-791-9361
  - By Website: [www.optumbank.com](http://www.optumbank.com)

## Frequently Asked Questions: Health Savings Accounts

Who is eligible for a Health Savings Account?	<p>Anyone who satisfies all of the following:</p> <ul style="list-style-type: none"> <li>• Covered by a Qualified High Deductible Health Plan (QHDHP);</li> <li>• Not covered under another health plan;</li> <li>• Not enrolled in Medicare A or Medicare B benefits; and,</li> <li>• Not eligible to be claimed on another person's tax return.</li> </ul>
What is the difference between an HSA and a Flexible Spending Account (FSA)?	<p>HSA funds can accumulate and roll over from year to year. In addition, FSA contribution limits are typically lower than an HSA.</p> <p>Also, <b>you must be enrolled in a qualified high-deductible health plan (QHDHP)</b> and have no disqualifying coverage to qualify for an HSA. You cannot contribute to an HSA while enrolled on a traditional plan.</p>
When do I use my HSA?	<p>After visiting a physician, facility, or pharmacy, a claim will be sent to your insurance to be processed. If there is an outstanding balance that you are responsible for covering, <b>you can use your HSA to pay for it</b>. You have three options:</p> <ul style="list-style-type: none"> <li>• Use your HSA debit card or HSA check to pay for any out-of-pocket expenses.</li> <li>• Pay for it using your personal funds, and receive reimbursement at a later date.</li> <li>• Save your HSA dollars for future medical expenses.</li> </ul> <p>You should always ask that your claim be submitted to the health plan before you use funds from your HSA to ensure that provider discounts are applied. Also, remember to keep all medical receipts and Explanations of Benefits (EOBs) to support your personal tax record. You should keep these records for at least seven years.</p>
Can I use my HSA for non-eligible expenses?	<p>Money withdrawn from an HSA account to reimburse non-eligible expenses is taxable income and is subject to a tax penalty. If the account holder is over age 65 OR disabled, the amount (if for a non-eligible expense) is still considered taxable income; however, the tax penalty IS waived.</p>
When can I start using my HSA funds?	<p>You can use your HSA dollars for <b>any qualifying expense</b> incurred after your HSA account activation and once contributions have been made.</p>
What if I am a new hire or have a special enrollment and enroll in an HSA in the middle of a year?	<p>So long as you enroll by December 1, you may still contribute the maximum amount allowed for the calendar year (see the chart on the previous page). However, the IRS requires you to participate in the QHDHP during a subsequent testing period (generally through the end of the following year). Failure to do so will result in adverse tax consequences.</p>
Can my HSA dollars be used for retirement health care costs?	<p>Yes, for expenses eligible for reimbursement and Medicare and other health coverage premiums after age 65.</p>
Can I use the money in my HSA to pay for my dependents' medical expenses?	<p>Yes, you can use the money in the account to pay for medical, dental, and vision expenses for yourself, your spouse, or your dependent children. You can pay for expenses for them even if they are not enrolled on your QHDHP.</p>