



# UNCOVER HIDDEN SAVINGS WITH HEALTH SAVINGS ACCOUNTS

The cost of healthcare is rising every year--both in premiums as well as doctor visits and prescription drugs. One consumer-driven approach many organizations offer is a high deductible health plan (HDHP) partnered with a health savings account (HSA). This is a great alternative to a traditional health plan as it's designed to empower you to take control of your health and the dollars you spend on your care both now and in the future.

An HSA-qualified health plan offers lower premiums, which means you'll save more money each month. More importantly though, it allows you to open a health savings account.

HSAs offer you the following advantages:

- **Tax Savings.** You don't pay taxes on the amount you contribute to or withdraw from your HSA, as long as you're eligible to contribute to an HSA and you use HSA funds for qualified medical expenses.
- **Reduced out-of-pocket costs.** You can use the money in your HSA to pay for eligible medical expenses and prescriptions. The HSA funds you use can help you satisfy your plan's annual deductible.
- **Your funds are yours.** Unused account dollars are yours to keep even if you retire or leave the company. Additionally, you can invest your HSA funds, so your available health care dollars can grow tax-free over time.
- **Automatic roll over.** Unused HSA funds don't expire or disappear, so whatever you don't use this year is money you can use to reduce future out-of-pocket health expenses.



## WHAT IS AN HSA?

A Health Savings Account is a personal savings account that works in conjunction with an HSA compatible health plan being offered by your employer. You can use your HSA to pay for current and future qualified expenses - tax free.<sup>1</sup>

## BENEFIT FROM TAX SAVINGS

The money you contribute to your HSA is tax-deductible and can be used to pay for qualified medical expenses not only for yourself, but also for your spouse and tax dependents.<sup>1</sup> The chart below shows how you can benefit from tax savings when you contribute to an HSA.

Income	\$1,000	\$1,000
HSA Contribution	\$0	\$1,000
25% Federal Income Tax	-\$250	\$0
Funds Left to Pay for Qualified Medical Expenses	\$750	\$1,000

## FLEXIBLE ONLINE FUNDING

The maximum amount the IRS allows you to contribute to your HSA in 2023 is \$3,850 for single and \$7,750 for family coverage, plus catch-up contributions of \$1,000 for those 55 and older - but you don't have to contribute it as a lump sum. Check with your employer to see if you can contribute to your HSA through before-tax payroll deductions. Or you can make after tax, online contributions to your HSA up to the annual IRS contribution limits. It's entirely up to you - but the more you contribute, the more you have available to pay for qualified medical expenses.



## CONVENIENT PAYMENT OPTIONS

With a swipe of your HSA debit card, you can pay for prescriptions, doctor visits, dental expenses, and more. Funds will automatically be deducted from your HSA. Please contact your HSA administrator/ bank for more details.

## INVESTMENT CHOICES TO MEET YOUR NEEDS

Once a minimum balance in your FDIC-insured deposit account is met, you have the option to invest additional contributions you make to your HSA. With a diverse array of fund offerings, it's easy to find an option that matches your personal financial goals and investment style.

## A SMART CHOICE

You can use the money you contribute to your HSA to pay for qualified medical expenses now, or you can save and build your balance to use later or in retirement - all tax free<sup>1</sup>.

- **Use it today.** Want to pay for current healthcare expenses? Use your convenient HSA debit card or pay with cash for later reimbursement.
- **Save for retirement.** Money in your HSA rolls over year to year, and you don't have to pay taxes on the interest or investment income you accrue. That's an important advantage to anyone saving for retirement. You won't be taxed, even after you retire, as long as you use the money in your HSA for qualified medical expenses.

## GOING TO THE DOCTOR

When you visit the doctor or a health services provider, you will usually want to receive a bill before you pay for medical services. Your HSA complements your medical coverage, but does not replace it. Make sure your provider has your up-to-date coverage information prior to receiving services. It is important for your insurance company to process your medical claim first so any insurance discounts can be applied to your bill before you pay with your HSA.

STEP 1	STEP 2	STEP 3
When you receive a bill from your medical provider, compare it with your EOB. If you find a discrepancy, contact your insurance company or medical provider to resolve any issues before paying the bill.	Once you are confident that your bill is correct, the most convenient option is to pay with your HSA dollars. Funds will need to be available within the HSA.	Save your bill (or a receipt of the approved transaction) and your EOB for your records.

## REVIEW YOUR EXPLANATION OF BENEFITS (EOB)

After you receive medical services, you should receive an Explanation of Benefits (EOB) from your insurance company. An EOB is not a bill for medical services; it is a statement from your insurance

company that shows the details of your medical claims. EOB's may vary depending on your insurance provider, but they typically include:

- Patient's name and date of services
- Amount charged for services by your medical provider
- Amount paid by your insurance company
- Remaining balance you are required to pay
- Amount applied to your health plan deductible
- Any health plan discounts that are applied

**Explanation of Benefits (This is not a bill)**

Your Claim History

Date of Service: January 21, 2020  
 Name: Smith  
 Claim Number: 123456789  
 Type of Service: Medical

Billed by Provider	Health Plan Discount	Amount Paid by Insurance	Amount You Owe Provider	Amount Applied to Your Deductible
\$150.00	-\$30.00	\$0.00	\$120.00	\$120.00

Sample Explanation of Benefits (EOB) statement.

## PAYING FOR EXPENSES AT THE TIME OF SERVICE

Some medical providers may ask you to pay for expenses at the time of service. If so, you may pay for expenses with your HSA debit card. You may want to ask your medical provider to credit any insurance discounts back to your HSA debit card if they are not applied at the time of payment. It is important to review your EOB to make sure your bill was processed correctly.

STEP 1	STEP 2	STEP 3	STEP 4
Present your HSA debit card for payment. Your HSA debit card may be used wherever debit cards are accepted.	Pay the total amount with your HSA debit card (if prompted, please select "Credit") and sign for the purchase.	Funds will be deducted automatically from your HSA.	Remember to save your itemized receipt (in the event of an IRS tax audit).

## GOING TO THE PHARMACY

Paying for qualified medical expenses at the pharmacy is easy. Simply present your HSA debit card wherever Visa debit cards are accepted and your expenses will be paid directly from your available HSA deposit account balance.

[Learn more](#) about using your HSA at the pharmacy.

## ELIGIBLE EXPENSES

Once you put money in your HSA, you can use it to pay for qualified medical expenses now, or save and grow your balance to use later in life or in retirement - all tax-free.

[Here's a list of examples of qualified medical expenses.](#)

1 Tax references are at the federal level. State taxes may vary. Please consult a tax advisor