

HSA Overview

What is an HSA?

A Health Savings Account (HSA) is a medical savings account with significant tax advantages that is available to people with a qualifying consumer-driven health plan.

It can be used like a savings account to pay IRS-qualified medical expenses like doctor visits, prescriptions, vision and dental care costs, but even more importantly, you can invest the money and watch it grow over time.



Video: 10 Reasons to Choose a Health Savings Account

Why should I open an HSA?

It's a private account – owned by you

- HSA balances carry over from year to year with no use-it-or-lose-it limits, even if you are self-employed, change employers, or retire
- Your HSA money can be invested in a carefully curated selection of institutional-class mutual funds with low expense ratios and no trading fees
- You can use your HSA funds to pay for your spouse and tax dependents' qualified medical expenses tax-free, even if they're on different health plans or ineligible for HSAs

There's a triple tax advantage

- Cash deposited is not subject to federal taxes
- You can spend your money on qualified medical expenses tax-free
- Interest and capital gains on investments are tax-free

Easily access your account

You can easily access your HSA account by visiting your online portal (www.portal.healthsavings.com)



where you can view your contributions, claims activity and payment history at your convenience. Plus, you can use your HSA debit card to pay for qualified health care expenses at most pharmacies and doctors' offices.

“HSAs are the closest thing to a free lunch offered by the Federal Government”

John Kador
WealthManagement Magazine

Share the wealth

Anyone can make a tax-deductible contribution to your HSA, including your employer, a loved one or a member of your family. In 2020, up to \$3,550 can be deposited in an HSA for a single person and \$7,100 can be deposited for a family. If you're 55 or older anytime in 2020, you may contribute an extra \$1,000. (Annual limits are set by the Internal Revenue Service. 2021 limits are \$3,600 for a single person and \$7,200 for a family.)

Build your nest egg

- At any time, you can invest any amount of your HSA balance, like a 401(k).
- After you turn 65 or enroll in Medicare benefits, you can withdraw money from your HSA without penalty. You have to pay income taxes on the withdrawal if funds are used for non-qualified medical expenses, but you can reimburse yourself tax-free for qualified medical expenses incurred any time after you opened your HSA.

