

Health Savings Account

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When you enroll in the High Deductible Health Plan, you are allowed to open a Health Savings Account (HSA). This allows you to put money away tax free through payroll deductions, let it accrue interest tax free, and then use it for qualified medical, dental and vision expenses tax free.

What is an HSA?

With an HSA, you own the account and it is fully portable. Balances roll over year after year, growing tax-free. You never lose your contributions to your HSA, unlike other health accounts, such as a flexible spending account (FSA). Even if you change jobs, health plans, or retire, you keep your HSA.

HSA's can be used to pay for eligible medical, dental and vision expenses for you, your spouse, and any family member who qualifies as a tax dependent. (See IRS Publications 969 for a list of eligible expenses). This includes things like pre-deductible medical expenses and prescription costs

Who is Eligible for an HSA?

Anyone meeting the following requirements is eligible for an HSA.

- ❖ Be enrolled in a qualified high deductible health plan.
- ❖ Have no other health coverage except what is permitted by the IRS (see IRS Publication 969).
- ❖ Not be enrolled in Medicare.
- ❖ Not be claimed as a dependent on someone else's tax return.

Yearly HSA Contribution Limit

Individual HSA: \$3,650* for 2022

Family HSA: \$7,300 for 2022

Individual HSA: \$3,850* for 2023

Family HSA: \$7,750 for 2023

*A \$1,000 additional catch up contribution is allowed for account holder's age 55+

Benefits of an HSA

- ❖ Pay for qualified medical, dental and vision expenses with tax-free dollars.
- ❖ Lower health insurance premiums with an HSA qualified health plan.
- ❖ Keep your contributions year after year and watch your balance grow. There is no "use it or lose it." It is yours.
- ❖ Invest your balance over the threshold amount to grow your HSA further.

Here is How an HSA works

1. You decide the annual amount you want to contribute to your HSA; not to exceed the yearly IRS limits.
2. Your contributions are deducted from each paycheck pretax, and deposited into your HSA.
3. You can pay for eligible medical, dental and vision expenses with your HSA debit card. You may also pay the provider directly through your Optum Bank online account, or you can request a reimbursement if you paid out-of-pocket and did not use your HSA debit card.

Examples of Qualified Medical Expenses:

- ❖ Acupuncture
- ❖ Alcoholism Treatment Ambulance
- ❖ Artificial limbs
- ❖ Artificial teeth
- ❖ Chiropractic services
- ❖ Dental treatments
- ❖ Diagnostic services
- ❖ Doctor's office visits and procedures
- ❖ Eyeglasses and contact lenses
- ❖ Eye exams
- ❖ Laser eye surgery
- ❖ Hearing aids
- ❖ Feminine hygiene products
- ❖ Nursing home
- ❖ Over-the-counter medications
- ❖ Physical therapy
- ❖ Prescriptions
- ❖ Vasectomy
- ❖ Wheelchairs
- ❖ Xrays

(for a full list visit irs.gov and search for Publication 502 or 969)

Be sure to save all receipts for your qualified medical expenses in the event that you are audited. At optumbank.com, you can easily upload images of your receipts online and organize them into folders.