

# HEALTH SAVINGS ACCOUNTS

HSAs are a tax-advantaged medical savings accounts available to taxpayers in the United States who are enrolled in a high-deductible health plan (HDHP). The funds contributed to an HSA are not subject to federal income tax at the time of deposit, and unlike a flexible spending account, HSA funds roll over and accumulate year to year if they are not spent. Over-the-counter medications cannot be paid with an HSA without a doctor's prescription and withdrawals for non-medical expenses are treated very similarly to those in an IRA in that they may incur penalties if taken early or for non-medical expenses. These accounts are a component of consumer-driven health care, and we are proud to be able to offer them to our members with a different debit card (shown below) to help differentiate your HSA from your other checking accounts.

## Benefits of an HSA:

- Can deduct contributions that you make to your HSA on your federal income tax return
- Any HSA Contributions made through payroll deduction reduce your federal income tax liability, Social Security and Medicare taxes
- You own the HSA and can take it with you even if you change health plans or employers
- HSA distributions that you use to pay for qualified medical expenses are tax free
- Can carry over your HSA balance from year-to-year
- Earnings in your HSA grow tax-deferred



## Examples of qualified medical expenses for an HSA include (but are not limited to):

- |                                |   |
|--------------------------------|---|
| • Acupuncture                  | • Hearing aids and batteries                                |
| • Alcoholism treatment         | • Hospital services   |
| • Ambulance services           | • Insulin   |
| • Chiropractors                | • Lab fees  |
| • Contact lens supplies        | • Prescription medications                                  |
| • Dental treatments            | • Nursing services  |
| • Diagnostic services          | • Telephone equipment for the visually and hearing impaired |
| • Doctor's fees                | • Therapy or counselling                                    |
| • Eye exams, glasses & surgery | • Wheelchairs   |
| • Fertility services           | • X-rays  |
| • Guide dogs                   |   |

### Calendar Year Contribution Limit 2024 (Employer and employee contributions combined)

Single Coverage: \$4,150  
Family Coverage: \$8,300  
Additional Amount (age 55 & up): \$1,000

### High Deductible Health Plan (Minimum deductible per plan year)

Single Coverage: \$1,600  
Family Coverage: \$3,200

### High Deductible Health Plan (Maximum out-of-pocket limit per plan year)

Single Coverage: \$8,500  
Family Coverage: \$16,100

## In addition to being covered under an HSA-compatible HDHP:

- Cannot be eligible to be claimed as a dependent on another person's tax return
- Cannot be covered by non-HDHP (with limited exceptions)
- Cannot be enrolled in Medicare