

HEALTH SAVINGS ACCOUNT (HSA)

HSA Bank

The HSA is only available to employees who elect the HSA-Qualified High Deductible Health Plan (HDHP) medical plan option and are otherwise eligible according to HSA eligibility rules. HSAs are known for their triple tax advantage – contributions are made pre-tax, growth is tax-free and withdrawals used for qualified health-care expenses are also untaxed.

HSA Highlights:

- The HSA is portable, meaning that if you leave the organization, you can take your HSA funds with you.
- There is no “use it or lose it” provision with an HSA. If you don’t use the money in your account by the end of the year, it stays there and collects interest on a tax-deferred basis.
- The HSA includes a banking partner that offers you several investment options.
- The HSA does not require third party substantiation for transactions; however, you should keep records of these transactions in the event of an IRS audit.
- You can use your HSA funds to pay for qualified expenses with tax-free dollars and plan for future and retiree health-related costs.

How much can I contribute?

For 2024, the contribution limits are:

- **\$4,150** for individual coverage
- **\$8,300** for family coverage
- **\$1,000** annual catch-up contribution age 55 and older

The maximum amount that can be contributed to the HSA in a tax year is established by the IRS and is dependent on whether you have single or family coverage in the HDHP plan. For more information regarding eligible expenses, please visit www.irs.gov.

Want to enroll in the HSA?

If you elect the HDHP for 2024 and want to enroll in the HSA, you need to enroll through ADP Workforce Now. Should you have other HSA funds to move to HSA Bank, please call HSA Bank at **800.357.6246**.



TO BE ELIGIBLE FOR AN HSA, YOU:

- Must have coverage under an HSA-qualified HDHP
- Cannot have other first-dollar medical coverage (i.e. policy with no deductible)
- Cannot be enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return

Contributions to the HSA must stop once you are enrolled in Medicare. However, you can keep the money in your account to pay for medical expenses tax-free.

IMPORTANT:

If you are enrolling in the High Deductible Health Plan (HDHP) and elect the HSA, you may not participate in the Healthcare FSA. However, you may elect up to \$3,050* in a Limited Purpose FSA (LPFSA), which can only be used for eligible dental and vision expenses.

* 2024 limits are pending IRS confirmation