



TAX SAVINGS FOR QUALIFIED EXPENSES

Health Savings Account (HSA)



A Health Savings Account is an individually owned, tax-favored account that allows consumers to pay for qualified health care expenses.

An HSA must be coupled with a High Deductible Health Plan (HDHP) to receive the tax advantages allowed by the IRS. Premiums associated with an HDHP are typically lower than a traditional plan, allowing you to capture the savings to fund an HSA.

Similar to a 401(k), you can make tax-deductible contributions into an HSA and the account can earn interest tax-free. HSA funds can then be used to pay for any qualified, out-of-pocket medical expenses, such as deductible and prescription drug expenses. Once the deductible is met, the health plan begins paying some or all covered expenses, depending on the plan selected.

HSA Eligibility

In general, to be eligible for an HSA, you must meet the following criteria:

- You must be covered under a qualified HDHP and cannot have other health care coverage.
- You cannot be enrolled in Medicare.
- You cannot be claimed as a dependent on someone else's tax return.

Benefits and Savings

HSAs provide several tax- and cost-savings benefits. By combining an HSA with a qualified HDHP, you can reduce your insurance premiums. Because it is a triple-tax savings account, contributions are 1) made tax free, 2) grow tax free and 3) can be withdrawn tax free to pay for a variety of qualified medical expenses, many of which are not covered by traditional health insurance plans (including dental visits, prescription drugs, eyeglasses, contact lenses, and chiropractor visits).

Unlike other benefit accounts, unused funds are rolled over annually, enabling them to be used for future expenses.

How Much Can I Contribute to an HSA?

The U.S. Treasury Department establishes annual contribution limits and minimum deductible amounts for HSAs and HSA-qualified health plans, which are adjusted each year for inflation. **The HSA limits are as follows:**

Contribution Limits

- Individual: \$3,850 in 2023 (\$4,150 in 2024)
- Family: \$7,750 in 2023 (\$8,300 in 2024)
- Catch-Up (55 and older): \$1,000 (remains \$1,000 in 2024)

Deductible Requirements

- Individual: Not less than \$1,500 in 2023 (\$1,600 in 2024)
- Family: Not less than \$3,000 in 2023 (\$3,200 in 2024)

Max Out-of-Pocket Requirements

- Individual: Not to exceed \$7,500 in 2023 (\$8,050 in 2024)
 - Family: Not to exceed \$15,000 in 2023 (\$16,100 in 2024)
- You must be covered under a qualified HDHP and cannot have other health care coverage.

HSA Services

- User guide and educational communications
- NueSynergy smart debit card
- Competitive interest rates earned on the first dollar
- Dedicated HSA customer service assistance beyond simple balance inquiry
- Consultative support to help maximize HSA savings and benefits
- Monthly electronic account statements
- Claims shoebox (electronic record keeping of all receipts to help you stay compliant)
- Seamless integration allows funds to transfer between HSA and personal checking accounts for ease of contribution and reimbursement
- Online web tools, including personalized health plan cost comparison, out-of-pocket cost and future savings calculators, and educational tutorials
- NueSynergy smart mobile app with provider locator and cost transparency tools.