

# HDHP HSA PLAN



## WHAT IS AN HDHP HSA?

A High Deductible Health Plan (HDHP) offers comprehensive health care coverage at a lower premium and higher deductible than traditional health care plans. An HDHP also features a health savings account (HSA) that enables you to pay for current, qualified health care expenses and save for future expenses on a tax-free basis. You have the opportunity to set aside funds in your HSA before taxes through convenient payroll deductions. ABC Company also contributes funds to your HSA to help your account grow.

## HOW IT WORKS

The HDHP, along with your HSA, puts health care spending in your hands, allowing you to choose how to spend your health care dollars. You can either pay for eligible services by using funds in your HSA, or you can pay for them out of your own pocket. **Note:** You can only use HSA funds that are available in your account. You can always reimburse yourself later once you have accumulated funds in your account.

## HSA FUNDING

### Your Contributions

There are several ways to contribute money into your HSA:

- Pre-tax contributions through payroll deductions
- After-tax cash contributions that are deductible when you file your taxes
- Catch-up contributions up to \$1,000 per year if you are over age 55 (until you enroll in Medicare)

### Company Contribution

ABC Company will contribute \$X,XXX annually for individuals and \$X,XXX for all other tiers to supplement your own contributions as you work to make the account grow.

## ANNUAL CONTRIBUTION LIMITS

It is important to note that your contributions, when combined with those contributed by ABC Company, may not exceed the IRS annual maximum:

Tiers	2018	2019
Employee Only	\$3,450	\$3,500
Employee + 1 or more	\$6,900	\$7,000
Catch-up (age 55+)*	\$1,000	\$1,000

\* Additional amount you can contribute to your HSA each year, until you enroll in Medicare

## ELIGIBILITY

To be eligible for contributions to the HSA bank account, the IRS requires that you:

- Must be enrolled in a qualified high deductible health plan (HDHP) (our CARRIER PPO with HSA is a qualified medical plan)
- Do not have any other health coverage that is not an HDHP or permitted insurance
- Are not covered:
  - By a spouse's medical or pharmacy plan that are not an HDHP
  - Through Medicare Parts A, B, C and/or D, or TRICARE programs
  - Through a general purpose Flexible Spending Account (FSA) plan (such as your spouse's plan)
- Are not active military
- Cannot be claimed as a dependent on another person's tax return

## Questions?

Visit <http://www.irs.gov/pub/irs-pdf/p969.pdf> for more information, or contact Name at phone or email.



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## QUALIFIED EXPENSES

HSAs enable you to pay for the following qualified health care expenses on a tax-free basis:

- Qualified expenses not covered by insurance, as defined by the IRS, online at <http://www.irs.gov/pub/irs-pdf/p502.pdf>
- COBRA premiums
- Qualified long-term care insurance and expenses
- Health insurance premiums when receiving unemployment compensation
- Medicare/retiree health insurance premiums (excluding Medicare Supplement/Medigap insurance premiums)

## HSA ADVANTAGES

### Triple Tax Advantage

1. You contribute pre-tax funds through payroll deductions, meaning the money comes out of your paycheck before federal income tax is calculated. This, in turn, reduces the amount of taxable income, so less tax is withheld from your paycheck.
2. Funds grow tax-free, and unused funds roll over year to year.
3. You can withdraw funds tax-free to pay for qualified health care expenses now and in the future— even in retirement.

### Control

You own and control the money in your HSA. You decide how you want to spend it or if you want to spend it. You can use it to pay for doctor's visits, prescriptions, braces, glasses—even laser vision correction surgery.

### Investment Opportunities

Once you reach and maintain a minimum threshold, you can make investments to help your money grow tax-free.

### Savings Potential

There is no “use it or lose it” rule. Your account grows over time as you continue to roll over unused dollars from year to year.

### Portability

Your HSA is yours for life. The money is yours to spend or save, regardless of whether you change health plans,\* retire or leave the company.

*\*You must be enrolled in a qualified health plan to contribute to an HSA.*



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