

HIGH DEDUCTIBLE HEALTH PLAN



HEALTH SAVINGS ACCOUNT

WHAT IS AN HSA?

An HSA, or Health Savings Account is a unique tax-advantaged account that can be used to pay for current or future healthcare expenses. When combined with a qualified High-Deductible Health Plan (HDHP), it offers savings and tax advantages that a traditional health plan can't duplicate. With an HSA, you will have:

- A tax-advantaged savings account that you can use to pay for eligible medical expenses as well as deductible, co-insurance, prescriptions, vision and dental care.
- Unused funds that will roll over year to year. There's no "use it or lose it" penalty.
- Potential to build more savings through investing. You can choose from a variety of HSA self-directed investment options (minimum balance requirements apply).
- Additional retirement savings. After age 65, funds can be withdrawn for any purpose without penalty but may be subject to income tax if not used for qualified medical expenses.



High Deductible Health Plan (HDHP) w/HSA	PPO
✓ Lower Premiums	✓ Higher Premiums
✓ Higher Deductible & Out-of-Pocket Maximums	✓ Lower Deductible & Out-of-Pocket Maximums
✓ Office Visits: Subject to deductible; plan pays just like PPO after Deductible is met	✓ Office Visits: Copay applies (deductible waived)
✓ Prescription drugs: Subject to deductible; then copays ✓ Listed preventive prescription drugs covered at 100% (not subject to deductible)	✓ Prescription drugs: Copays/coinsurance apply (not subject to deductible) ✓ Listed preventive prescription drugs covered at 100% (not subject to deductible)
✓ Preventive Care: Covered in full	
✓ Employer HSA Contributions: Over the course of the year, your employee will contribute \$500 individual / \$1,000 family to your HSA	✓ Employer HSA Contributions: Not Available

ARE YOU ELIGIBLE?

You are not eligible to set up or contribute to an HSA if any of the following situations apply to you:

- You are claimed as a dependent on someone else's tax return.
- You are eligible to receive benefits from any plan other than a qualified high deductible health plan, including:
 - Coverage through your spouse's non-qualified health plan.
 - Enrollment in a full purpose flexible spending account (FSA) by either you or your spouse.
 - Coverage through Medicare or Medicaid.
 - Coverage through a military or veteran's healthcare program (e.g. TRICARE).

IMPORTANT INFORMATION TO KEEP IN MIND

You can use your HSA at any time for tax-free reimbursement of qualified health expenses (even if you are later covered under a health plan that is not a qualified high deductible health plan). Please note the following:

- The money must be in your account before you can claim a reimbursement.
- You cannot make claims for services incurred before your HSA becomes active.
- A debit card is typically included (additional cards and checks may be ordered, fees may apply).
- Overdraft fees and other charges may apply if your claims exceed your account balance.
- A 20% penalty applies for a non-qualified related expenses.

HSA CONTRIBUTION LIMITS

The IRS sets limits annually on the amount you can contribute. Below are the amounts you can contribute based on the State's plan year, not calendar year. Annual contribution maximums are set with each plan year and increases will only be applied at the start of each plan year.

FY2025 (July 1, 2024 – June 30, 2025)	TOTAL ANNUAL MAXIMUM CONTRIBUTIONS	EMPLOYEE ANNUAL MAXIMUM CONTRIBUTION	EMPLOYER ANNUAL MAXIMUM CONTRIBUTION
EMPLOYEE	\$4,150	\$3,650	\$500
EMPLOYEE + FAMILY	\$8,300	\$7,300	\$1,000
CATCH-UP (AGE 55+)	Additional \$1,000	N/A	N/A