

# HEALTH SAVINGS ACCOUNT (HSA)

## ELIGIBLE EXPENSES

The money in your HSA must be used for eligible medical, dental, vision, and prescription drug expenses. In general, eligible expenses are those that qualify toward the deductibles, copays, and coinsurance with your health, dental or vision plans.

PORTABILITY	FLEXIBILITY	TAX SAVINGS	PREMIUM SAVINGS
<ul style="list-style-type: none"> <li>You own 100% of the deposited funds, meaning if you change employers or retire, you do not lose HSA money regardless of whether you contributed the money or if it was an employer contribution.</li> </ul>	<ul style="list-style-type: none"> <li>You can choose to spend the money on current medical expenses, or you can save your money for future use.</li> <li>Unused funds will automatically roll over to the following year as there is no "use it or lose it" provision.</li> </ul>	<ul style="list-style-type: none"> <li>Contributions are tax free (pre-tax through payroll deductions or tax-deductible).</li> <li>Earnings are tax free.</li> <li>Funds withdrawn for eligible medical expenses are tax free.</li> </ul>	<ul style="list-style-type: none"> <li>By choosing the HDHP available, your payroll contribution is lower than the traditional PPO plan.</li> </ul>

## HSA CASE STUDY

Justin is a healthy 28-year-old single man who contributes \$1,200 each year to his HSA in addition to the \$500 matching contribution from his employer. His plan's annual deductible is \$3,000 for individual coverage. Here is a look at the first two years of Justin's HSA plan, assuming the use of in-network providers. This example only includes HSA contribution amounts and does not reflect any investment earnings.

End of year 1	
HSA Balance	\$1,700
Total Expenses:	
- Prescription drugs: \$150	(-\$250)
- Physician visit: \$100	
HSA Rollover to Year 2	\$1,450
Since Justin did not spend all his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	

End of year 2	
HSA Balance	\$3,150
Total Expenses:	
- Office visit: \$100	
- Prescription Drugs \$200	(-\$300)
- Preventive care services: \$0 (covered by insurance)	
HSA Rollover to Year 3	\$2,850
Once again, since Justin did not spend all his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	

Available to employees enrolled in either **H.S.A. Qualified Plan**.

**Enrolled employees will receive a matching employer contribution of up to \$500 per year.**