

Health Savings Account

WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

A Health Savings Account (HSA) is a tax-favored consumer savings product for individuals and families that offers you a different way to pay for healthcare expenses. HSAs are established in conjunction with a High Deductible Health Plan (HDHP) and enable you to pay qualifying medical expenses for yourself, your spouse and your dependents on a tax-free basis.

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BENEFITS OF OPENING A HEALTH SAVINGS ACCOUNT

- Contributions are tax-deductible, and Distributions are tax-free.
- Your interest earned on your HSA account is also tax-free if distributed amounts are used for qualified medical expenses.
- Balances in an HSA left over at the end of the year can be carried over to the next year. The funds in an HSA are yours to keep and use for medical expenses, even if you lose health care coverage, change employers or become unemployed.
- HSA accounts can be used for a spouse or dependent, depending on the type of HDHP coverage.
- For a complete description of an HSA Plan go to [IRS.gov Pub 969](https://www.irs.gov/pub/969).

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HSA **ELIGIBILITY**

- The account owner must be covered by an HSA-qualified HDHP the month the HSA is opened.
- The account owner must not be listed as a dependent on anyone else's tax return.
- The account owner must not receive Social Security or be entitled to Medicare.
- The account owner must not have any other non-HSA qualified health insurance coverage.
- The account owner and spouse of the account owner cannot participate in the 125 Plan MEFSAs unless it is a limited scope account (LFSA) for dental and vision only.

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CONTRIBUTION LIMITS FOR 2024

The contribution limits for 2024 are \$4,150.00 for an individual plan and \$8,300.00 for a family plan. If you are over 55 years of age, you are qualified to make a \$1,000.00 Catch-Up Contribution in addition to the standard contribution limits. The last date to contribute for 2024 is April 15, 2025.

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EXAMPLES OF **QUALIFIED MEDICAL EXPENSES**:

- Ambulance
- Annual Physical Examination
- Bandages
- Body Scan
- Braille Books and Magazines
- Chiropractor
- Contact Lenses
- Crutches
- Dental Treatment
- Disable Dependent Care Expenses
- Eye Exam and Eyeglasses
- Hearing Aids
- Hospital Services
- Laboratory Fees
- Learning Disability
- Long-Term Care
- Medicine
- Nursing Home
- Operations
- Optometrist
- Osteopath
- Psychiatric Care
- Special Education
- Therapy
- Wheelchair
- X-Ray

For a detailed list of Qualified Medical expenses go to [IRS.gov](https://www.irs.gov) Publication 502.

THIS FLYER IS FOR INFORMATIONAL PURPOSES ONLY, AND IT SHOULD NOT BE CONSIDERED TAX, FINANCIAL, OR LEGAL ADVICE. PLEASE CONSULT YOUR TAX OR FINANCIAL ADVISORS IF YOU HAVE ANY QUESTIONS.

1/3/2024

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