

# Health Savings Accounts (HSA)



## HSAs: What you need to know

QUESTIONS	ANSWERS									
<p><b>What is a health savings account (HSA)?</b></p>	<p>An HSA is a medical savings account that you contribute to tax free. You can use an HSA to pay for qualified (approved) medical expenses.</p>									
<p><b>What should I know about an HSA?</b></p>	<ul style="list-style-type: none"> <li>• Money in your HSA belongs to you. If you change employers or health plans, you can keep your account where it is, or roll it over into another HSA.</li> <li>• Any unused balance rolls over from year to year.</li> <li>• Some HSAs allow funds to be invested or earn interest. Any earnings are tax deferred. For more information, check with your HSA administrator.</li> <li>• If your employer allows it, you can have money deducted from your paycheck and deposited into your HSA. This helps you save on payroll taxes.</li> <li>• After age 65, you can use your HSA funds for any purpose without a penalty, but you'll pay taxes on the amount if you use HSA funds for a non-medical expense. Your beneficiary receives the funds in your HSA on your death.</li> <li>• You can find detailed information about HSAs in IRS Publication 969 on <b>IRS.gov</b>.</li> </ul>									
<p><b>Who can open an HSA?</b></p>	<p>To open an HSA:</p> <ul style="list-style-type: none"> <li>• You must be enrolled in a high-deductible health plan that meets IRS requirements for deductibles and out-of-pocket maximums. For 2024, the amounts are:</li> </ul> <table border="1" data-bbox="570 1528 1523 1682"> <thead> <tr> <th></th> <th>SINGLE COVERAGE</th> <th>FAMILY COVERAGE</th> </tr> </thead> <tbody> <tr> <td><b>Minimum deductible</b></td> <td>\$1,600</td> <td>\$3,200</td> </tr> <tr> <td><b>Out-of-pocket maximum</b></td> <td>\$8,050</td> <td>\$16,100</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• You can't be covered by another insurance plan that isn't a high-deductible health plan (for example, you can't be a dependent on anyone else's plan, except for vision or dental coverage).</li> <li>• You can't be enrolled in Medicare.</li> <li>• You can't be claimed as a dependent on someone else's tax return.</li> </ul>		SINGLE COVERAGE	FAMILY COVERAGE	<b>Minimum deductible</b>	\$1,600	\$3,200	<b>Out-of-pocket maximum</b>	\$8,050	\$16,100
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<b>Who can contribute to the account?</b>	You and/or your employer can contribute to your HSA.
<b>How does it work?</b>	You are the account holder. You set up your account and decide how much to contribute, up to the limit the IRS sets. You then pay for qualified medical expenses using funds from your account.
<b>Can I manage my account online?</b>	Yes. When you open an HSA, you'll get more information about how to access your account online.
<b>What if a bill is bigger than my HSA balance?</b>	If you spend all the money in your HSA and have additional health care expenses, you'll need to pay for them with other funds.
<b>Can I use my account for non-medical expenses?</b>	Possibly, but if you're under age 65, you'll pay a 20% penalty on the amount you withdraw. You'll also need to report the amount on your income tax return.
<b>What expenses can I pay from my account?</b>	<p>You can pay for:</p> <ul style="list-style-type: none"> <li>• Your deductible, coinsurance, and copayments</li> <li>• Prescription drug copays</li> <li>• Over-the-counter medications (with or without a prescription)</li> <li>• Dental expenses</li> <li>• Orthodontic expenses</li> <li>• Vision expenses, including laser eye surgery</li> <li>• Hearing exams and hearing aids/batteries</li> <li>• Menstrual care products</li> </ul> <p>For a complete list of eligible expenses, see IRS Publication 502 on <a href="https://www.irs.gov">IRS.gov</a>. When you spend HSA funds, always save receipts and insurance statements for your tax records.</p>

QUESTIONS	HEALTH SAVINGS ACCOUNT
<b>Who funds the account?</b>	Employer and/or employee
<b>What are the contribution limits for 2024?</b>	\$4,150 (single) <sup>1</sup> ; \$8,300 (family) <sup>1</sup> Persons 55 and older can contribute an additional \$1,000
<b>What expenses are eligible?</b>	Deductibles, coinsurance, copays, and IRS 213(d) expenses <sup>2</sup>
<b>Can unused funds carry over?</b>	Yes
<b>Yours if you change jobs/retire?</b>	Yes
<b>Earns interest or can be invested?</b>	Yes, if your account offers this option – check with your HSA administrator

<sup>1</sup> The IRS sets these amounts and adjusts them as needed for cost of living.

<sup>2</sup> See IRS Publication 502 on [IRS.gov](https://www.irs.gov).



## Have questions? We're here to help.

Call Member Services at the number on the back of your Medica ID card. (TTY: **711**).