

An Introduction to HSAs

Overview

A health savings account (HSA) is a tax-advantaged savings account that you can use for medical expenses. It is paired with a qualifying health insurance plan; the district's Silver CDHP Plan (HDHP). An HDHP is a plan that offers lower monthly premiums in exchange for a higher deductible (the amount you pay out of pocket before insurance kicks in).

Why choose an HSA?

There are several benefits of an HSA, including:

- Your payroll contributions are made with pretax dollars, which may help lower your tax bill.
- The funds in your account do not expire at the end of the year. You can keep them as long as you want to.
- The funds in your account are yours to keep even if you change jobs.
- Using the account is easy. Most HSAs will issue a debit card to you. If you use the debit card to immediately pay for your eligible medical expenses, you won't have to go through a reimbursement process.

More flexibility and control

In a traditional health plan, the insurer sets limits for what is covered under the premium. The HSA, in contrast, can be used for a wide range of expenses, limited only by legislation and IRS guidelines. However, it is your responsibility to:

- Ensure that you use your funds for eligible expenses.
- Retain documentation (receipts, prescriptions, etc) about your purchases. These will be necessary in the event that you are audited by the IRS.
- Only pay for expenses for individuals who are your IRS tax dependents.



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Contribution Limits

Please keep in mind that the federal government sets limits on how much you can contribute to an HSA in a tax year.

The table below displays the current HSA contribution limits. Current contribution information can be found on the U.S. Department of Treasury website at [treas.gov](https://www.treas.gov).

Tax Year	Individual Coverage Limits	Family Coverage Limits
2022	\$3,650	\$7,300
2023	\$3,850	\$7,750

Once age 55, members can contribute an additional \$1,000 towards their HSA (either individual and family coverage).