

# Making the Most of Your HSA

What is a Health Savings Account? What are the advantages?



## WHAT IS AN HSA?

A Health Savings Account (HSA) is a type of account you can use to pay for certain out-of-pocket health care expenses if you have a qualified high deductible health plan (QHDHP). HSAs are tax-advantaged, which means you generally don't pay taxes on contributions or withdrawals on qualified expenses.

## ADVANTAGES

1

The money in the account is yours and is still available to you even if you switch plans or change jobs.

2

If you don't spend the money in the account, it rolls over to the next year. There's no limit to how much money may be rolled over.

3

In most states, HSAs have what's called a triple tax advantage—contributions are tax free, earnings from interest are tax free and withdrawals are tax free (as long as they're for qualified expenses).

4

You can invest the money in your HSA so it can grow even more.

5

Most HSAs have a debit card to use on qualified expenses, making the process easy.

## GOOD TO KNOW

You must have a qualified high deductible health plan to open an HSA.

The annual contribution limit set by the IRS is \$3,850 (self-only) or \$7,750 (family) for 2023.

If you use HSA funds for anything other than qualified expenses, you will have to pay a penalty and income taxes on those funds.

After age 65, you may use the HSA money for expenses other than qualified medical expenses without a penalty, but you'll have to pay taxes on the withdrawals.



This summary is intended to convey general information and is not an exhaustive analysis. This information is subject to change as guidance develops. USI does not provide legal or tax advice. For advice specific to your situation, please consult an attorney or other professional.

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## HOW YOU CAN USE HSA FUNDS:



**DENTAL CARE**



**MEDICAL EXPENSES NOT COVERED BY YOUR PLAN**



**VISION CARE**



**PRESCRIPTION DRUGS**



**ORTHODONTICS**



**OVER-THE-COUNTER MEDICINE**



**PHYSICAL THERAPY**

See IRS Publication 969 for more information on what's eligible for HSA reimbursement.



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# Health Savings Account

An HSA lets you put money away for future healthcare costs while saving on taxes. How? HSAs are never taxed at a federal income tax level when used for qualified medical expenses. Contributions can come straight out of your pay-check, and your HSA can grow tax-free too.

- ✔ No 'use-it-or-lose-it,' keep your HSA forever
- ✔ Create a healthcare emergency safety net
- ✔ Invest<sup>1</sup> your HSA tax-free, like a 401(k)



## Annual tax saving potential<sup>2</sup>

<b>\$1,550</b>	<b>\$770</b>
Family plan	Individual plan

2023 IRS Contribution Limits

<b>\$7,750</b>	<b>\$3,850</b>
Family plan	Individual plan

Members 55+ can contribute an extra \$1,000

## Common qualified medical expenses:

- Pain relievers
- Doctor visits
- Dental cleaning
- Sleep aids
- Eyeglasses/contacts
- Cold/cough medicine
- Chiropractic care
- Insulin testing supplies



**See how much you can save**

[HealthEquity.com/  
Learn/HSA](https://HealthEquity.com/Learn/HSA)

<sup>1</sup>Investments made available to HSA members are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. | <sup>2</sup>Estimated savings are based on an assumed combined federal and state income tax rate of 20%. Actual savings will depend on your taxable income and tax status. | HealthEquity does not provide legal, tax or financial advice. Always consult a professional when making life-changing decisions.