WINNING WITH AN HSA

Health savings accounts (HSAs)

HSAs: the new RETIREMENT STRATEGY

SAVE NOW AND FOR THE FUTURE

HealthEquity®

HSAs ARE AN EASY WIN

in today's complex healthcare system

How an HSA works

An HSA paired with an HSA-qualified health plan allows you to make tax-free[1] contributions to an account eligible for federal insurance.[2] Balances earn tax-free interest and can be used to pay for qualified medical expenses. HSA-qualified health plans typically cost less than traditional plans and the money saved can be put into your HSA.

HSAs empower savings:

- Lower monthly health insurance premiums
- Money put into your HSA is not taxed
- You earn tax-free interest on HSA balances
- HSA funds used for qualified medical expenses are not taxed
- You can invest your HSA funds for increased tax-free earning potential[3]

HSA funds remain yours to grow

With an HSA, you own the account and all contributions. Unlike flexible spending accounts (FSAs), the entire HSA balance rolls over each year and remains yours even if you change health plans, retire or leave your employer.

You can win with an HSA

Regardless of your personal medical situation, an HSA can empower you to maximize savings while building a reserve for the future. Contrary to what many may think, healthy individuals aren't the only users who benefit from an HSA.

[1] HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

[2] Your HSA cash balance is held at an FDIC-insured or NCUA-insured institution and is eligible for federal deposit insurance, subject to applicable requirements and limitations.

[3] Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.

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HSAs: THE NEW RETIREMENT STRATEGY

Supplement your retirement

The average American couple will need $301,000[1] to cover out-of-pocket health care costs in retirement. An HSA can help fill this Medicare gap as well as dental, hearing and vision expenses. Qualified medical expenses remain tax-free,[2] even into retirement. In addition, after age 65, you can use your HSA much like a 401(k) and withdraw funds for any purpose.[3]

Invest[4] your HSA to maximize your tax-free earning potential

Once your account balance reaches a minimum threshold (based on your account configuration determined by your employer or health plan), you can increase your earning potential by investing any funds over that amount in mutual funds. A comprehensive line-up of mutual funds is offered with options designed to fit your individual needs.

Take the guesswork out of investing with Advisor™ (Powered by: HealthEquity ADVISORS, LLC)

You can manage investments on your own or let Advisor[5] do all of the work. Advisor powered by HealthEquity Advisors, LLC can provide web-based guidance designed to diversify your portfolio and can even manage the trading of mutual funds for you. Investment advice and portfolio management is based on your personal risk preferences, age and financial goals. Additional fees apply.

For more information about investing with Advisor, visit:

HealthEquity.com/Advisor

[1] The average American couple will need $301,000 to have a 90 percent chance of having enough money to cover out-of-pocket health care costs in retirement. Based on median prescription drug expenses. Source: Employee Benefit Research Institute (https://www.ebri.org/publications/research-publications/issue-briefs/content/savings-medicare-beneficiaries-need-for-health-expenses-in-2019)

[2] HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

[3] After age 65, if you withdraw funds for any purpose other than qualified medical expenses, you will be subject to income taxes. Funds withdrawn for qualified medical expenses will remain tax-free.

[4] Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.

[5] Investments available to HSA holders are subject to risk, including the possible loss of the principal invested and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. HealthEquity, Inc. does not provide financial advice. HealthEquity Advisors, LLC™, a wholly owned subsidiary of HealthEquity, Inc. and an SEC-registered investment adviser, does provide web-based investment advice to HSA holders that subscribe for its services (minimum thresholds and additional fees apply). HealthEquity Advisors, LLC also selects the mutual funds offered to HSA holders through the HealthEquity, Inc. platform. Registration does not imply endorsement by any state or agency and does not imply a level of skill, education, or training. HSA holders making investments should review the applicable fund's prospectus. Investment options and thresholds may vary and are subject to change. Consult your advisor or the IRS with any questions regarding investments or on filing your tax return.

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GET STARTED WITH AN HSA TODAY

1 Select an HSA-qualified health plan

Enroll in an HSA-qualified plan. These plans typically cost less than traditional plans and provide tax saving opportunities. HealthEquity will work with your employer or health plan to automatically set up your account and supply a HealthEquity® Visa® Health Account Card[1] to conveniently pay for eligible expenses.

2 Add money to your HSA

Fund your HSA through pre-tax payroll deductions or transfer money into your account through the HealthEquity member portal. To take full advantage of tax savings and to build a reserve for the future, consider maximizing your contributions as set by the IRS:

HSA CONTRIBUTION LIMITS

2023 INDIVIDUAL $3,850	2024 INDIVIDUAL $4,150
2024 FAMILY $7,750	2025 FAMILY $8,300

At age 55, an additional **$1,000** is allowed annually.

HSA eligibility

To make tax-free[2] contributions to an HSA, the IRS requires that:

- you are covered by an HSA-qualified health plan.
- you have no other health coverage (such as other health plan, Medicare, military health benefits, medical FSAs).
- you cannot be claimed as a dependent on another person's tax return.

[1] This card is issued by The Bancorp Bank; member FDIC pursuant to a license from Visa U.S.A. Inc. Your card can be used everywhere Visa debit cards are accepted for qualified expenses. This card cannot be used at ATMs and you cannot get cash back, and cannot be used at gas stations, restaurants, or other establishments not health related. See Cardholder Agreement for complete usage restrictions.

[2] HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

3 Watch your HSA grow

Your HSA earns tax-free[1] interest. Maximize your tax-free earning potential by investing HSA funds using the convenient online investment tool.[2]

4 Use your HSA for qualified medical expenses

HSA funds can be used for a variety of qualified medical, dental and vision expenses, including:

- Acupuncture
- Birth control
- Chiropractor
- Contact lenses
- Dental treatment
- Prescription eyeglasses
- Fertility enhancement
- Hearing aids
- Lab work
- Medical supplies
- Physical exams
- Prescriptions
- Orthodontia
- Radiology
- Stop-smoking programs
- Surgery (non-cosmetic)
- Therapy
- and more...

You will receive a HealthEquity debit card[3] for easy access to your funds.

For an expanded list of qualified medical expenses, visit:

HealthEquity.com/qme

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Who are you?

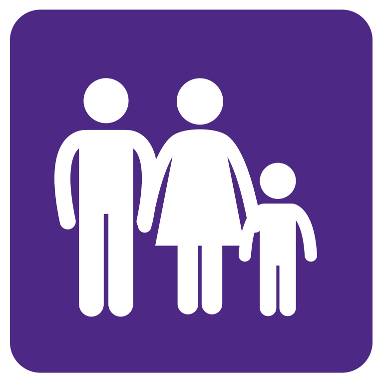
YOU CAN WIN WITH AN HSA

An HSA can benefit Americans from all walks of life and empower savings now and for the future. Contrary to popular belief, you do not have to be healthy or wealthy to benefit from an HSA – just wise! To see how different types of healthcare consumers win, see the link below.

See how *you* can personally benefit from an HSA:

HealthEquity.com/Me

SAVER



SHOPPER

SURVIVOR

MINIMALIST

HealthEquity team member
Salt Lake City, Utah

Account mentors

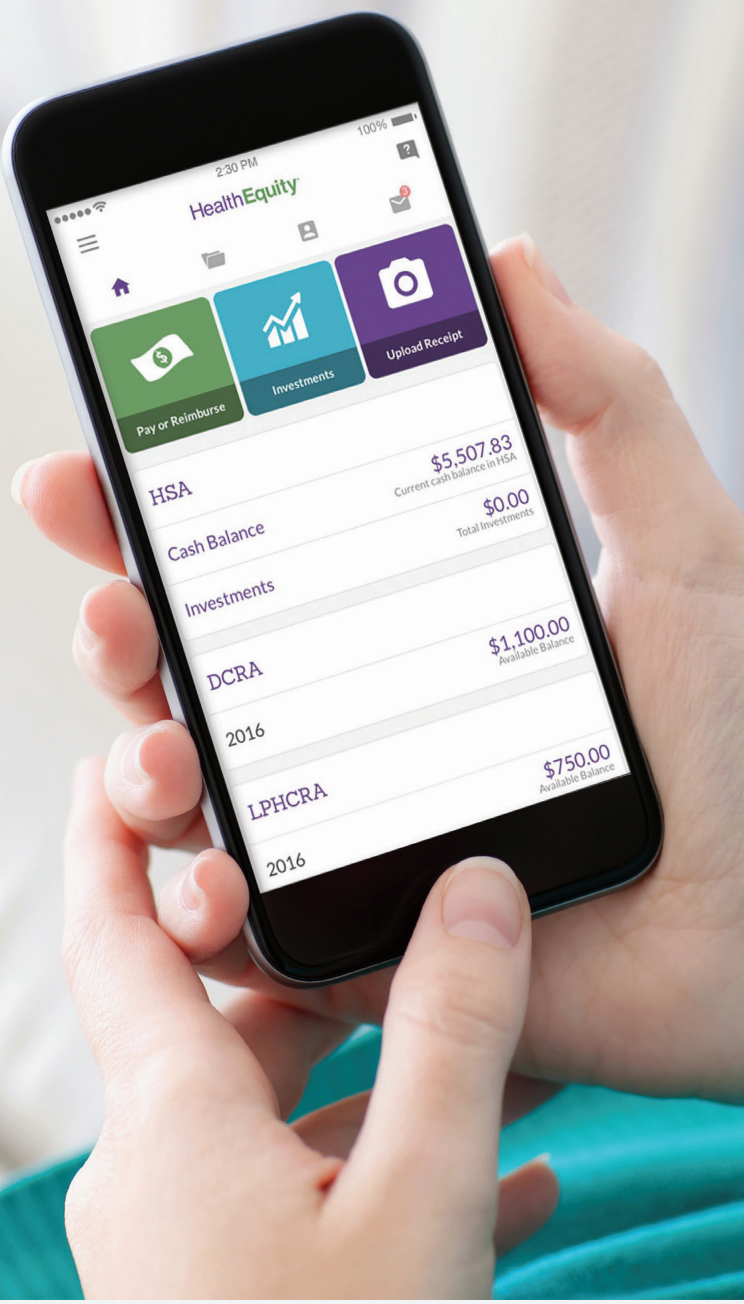
We are available to help, every hour of every day

We understand the significance of your benefits selection. Our team of specialists based in Salt Lake City is available 24 hours a day, providing you with insight to help you optimize your health savings account. Call today.

866.346.5800

HealthEquity.com/HSAlearn

EASY ACCESS to your ACCOUNT WHEREVER you are.



HealthEquity mobile app[1] available for FREE at:

- Apple® App Store®
- Google Play™

[1] Accounts must be activated via the HealthEquity website in order to use the mobile app.

HealthEquity®

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Health Savings Accounts (HSAs) FAQs

Q: AM I REQUIRED TO HAVE HEALTH INSURANCE TO HAVE A HEALTH SAVINGS ACCOUNT (HSA)?

A: Yes. To be eligible to open and contribute to an HSA, you need to be enrolled in a qualified high-deductible health plan (HDHP)

Q: WHO OWNS THE HSA?

A: You do.

Q: DOES THE MONEY IN MY HSA EARN INTEREST?

A: Yes, and tax-free. HealthEquity calculates, compounds, and credits interest monthly based on the applicable rate for different tiers of the account balance. For current rates see the interest rate page in the HealthEquity online resource center.

Q: CAN I INVEST THE MONEY IN MY HSA?

A: Yes. Similar to an IRA, many HSAs let you choose to invest your account balance in stocks/bonds, mutual funds, CDs, and/or annuities. With your HealthEquity® HSA, you can invest in pre-selected mutual funds after you reach a $1,000 balance in your account. (Note: Your account may have a different minimum balance. Check your plan details or call your dedicated HealthEquity Member Services line or 866.212.4729 for more information.)

Q: IS MY HSA FDIC-INSURED?

A: Yes. However, eligible monies in investments are not FDIC-insured.

Q: CAN I ROLL THE MONEY FROM MY IRA INTO MY HSA?

A: Yes. You can make a one-time rollover from your IRA into your HSA. You cannot, however roll money into your IRA from your HSA. Note that a rollover will count against annual contribution amounts. For more information, call HealthEquity Member Services at 866.212.4729.

Q: WHO CAN PUT MONEY IN MY HSA?

A: Anyone can contribute to your HSA. However, only the account holder and the employer receive tax deductions on monies contributed. And only your contribution is tax-free.* Pre- and post-tax contributions are included in the IRS annual limits.

Q: DO I HAVE TO CLAIM CONTRIBUTIONS FROM OTHERS ON MY INCOME TAXES?

A: You don't have to claim contributions you receive from others, whether your employer or your family, as gross income on your annual tax return.

Q: HOW MUCH MONEY CAN I CONTRIBUTE TO MY HSA?

A: In 2024, the maximum contribution as set by the IRS for an individual account is $4,150 and the maximum contribution for family coverage is $8,300. People over the age of 55 can make an additional catch-up contribution of $1,000. These limits are the same regardless of the source of the contribution.

Q: WHAT HAPPENS TO THE MONEY IN MY HSA IF I LEAVE MY JOB OR RETIRE?

A: You take that money with you wherever you go. The HSA is in your name. It is your account. If you are on Medicare or go to another employer that does not have a qualified HDHP, you can still use your HSA money to pay for co-pays and qualified medical expenses, but will not be able to continue to make contributions to your HSA.

Q: DOES THE MONEY I HAVE IN MY HSA ROLL OVER FROM YEAR-TO-YEAR, OR DO I LOSE THE MONEY AT THE END OF THE YEAR?

A: The money rolls over from year-to-year. You do not lose the money in your HSA or the interest it has earned. It is your money.

Q: CAN I TAKE THE MONEY OUT OF MY HSA ANY TIME I WANT?

A: Yes. You can take money out anytime tax-free and without penalty as long as it is to pay for qualified medical expenses. If you take money out for other purposes, however, you will have to pay income taxes on the withdrawal plus a 20% penalty.

Q: WHAT IS A QUALIFIED MEDICAL EXPENSE?

A: Qualified medical expenses are those that would generally qualify for the medical and dental expenses income tax deduction as outlined in *IRS Publication 502–Medical and Dental Expenses*. See www.irs.gov/publications/p502/index.html for a current complete list.

ASBAIT
ARIZONA SCHOOL BOARDS ASSOCIATION INSURANCE TRUST

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Q: DO I PAY CO-PAYMENTS IF I HAVE AN HSA?

A: If your health insurance plan requires a co-payment, you will pay the co-payment as part of the full amount your insurance has contracted to pay for the visit, which you will pay in full until meeting your deductible. Whether you continue to pay co-payments after meeting your deductible depends on the specifics of your health plan. You can always use your HSA to pay your co-payments.

Q: I AM A PARENT ON AN HSA-BASED PLAN, BUT DIDN'T COVER MY CHILDREN UNDER THIS PLAN. CAN I USE THE MONEY IN MY HSA TO PAY FOR MY CHILDREN'S MEDICAL EXPENSES, CO-PAYS, AND DEDUCTIBLES?

A: Yes. The money in your HSA can be used to pay for qualified medical expenses of any family member who qualifies as a dependent on your tax return. However, if the dependent is not covered under your plan, his/her expenses will not be applied toward your deductible.

Q: MY DOMESTIC PARTNER IS COVERED ON MY INSURANCE PLAN. CAN I USE MY HSA FOR MY DOMESTIC PARTNER'S MEDICAL EXPENSES?

A: If your domestic partner meets the IRS qualifications of a tax dependent, you can legally use your HSA funds for his/her medical expenses.

Q: DO I PAY FOR THE FULL DOCTOR'S OFFICE VISIT WHEN I GO TO THE DOCTOR?

A: You are responsible to pay the amount your insurance has contracted to pay your doctor, typically a discounted rate, until your deductible is met. You can use your HSA for this expense.

It is best to have your doctor's office put the charge through to your insurance, so that you receive credit toward your deductible and know exactly what to pay. Some doctors may require that you pay up front, but most bill your insurance, and then bill you only once the claim has been processed. Make sure you do not pay more than your portion shown on the explanation of benefits you receive from your insurance carrier.

Q: I'M RETIRED. CAN I STILL CONTRIBUTE TO MY HSA?

A: Yes, provided you are covered by a qualified HDHP and are not on Medicare.

Q: IF MY SPOUSE IS ON MEDICARE, CAN I CONTRIBUTE TO AN HSA?

A: Yes. As long as you are not enrolled in Medicare yourself and are still enrolled in a qualified HDHP, you can contribute to your HSA.

Q: CAN I USE THE MONEY IN MY HSA FOR NON-MEDICAL EXPENSES?

A: Yes. If you do though, and are under 65, you will be taxed on the money you use and assessed a 20% penalty. Once you are 65, you will be taxed for moneys used for non-medical expenses, but will not pay a penalty.

Q: CAN I USE MY HSA FOR EYE GLASSES, CONTACTS, OR LASIK SURGERY?

A: Yes. These expenses may not apply to your insurance deductible though.

Q: CAN I USE MY HSA TO PAY FOR DENTAL EXPENSES AND ORTHODONTICS?

A: Yes. These expenses may not apply to your insurance deductible though.

Q: CAN I USE MY HSA TO PAY FOR VOLUNTARY COSMETIC SURGERY?

A: The HSA can be used for cosmetic surgery only if prescribed by a physician as being medically necessary.

Q: CAN I ACCESS MY HSA ONLINE?

A: Yes. You can see your account balances, HSA debit card balance, claim transactions, and more online. You can also pay providers, request reimbursements, and manage your personal information.

Q: HOW DO I CONTACT HEALTHEQUITY?

A: You can call HealthEquity Member Services 24/7/365 at 866.212.4729 or your dedicated service line.