

# Health Savings Account (HSA)

A Health Savings Account (HSA) is a personal savings account that you own and can use to pay for qualified out-of-pocket medical expenses. Your HSA can be used to pay for your health care expenses and those of your spouse and dependents, even if they are not covered by the High Deductible Health Plan (HDHP). If you had the HSA while you were an employee, then you can continue contributing to Optum Bank directly on your own. Go to [myuhc.com](https://myuhc.com) for further information on how to contribute. If you are a Retiree and switching over to the High Deductible Account, you will need to go to any bank and set up an HSA (Health Savings Account) with that bank.

## What happens to your HSA Once you enroll in Medicare?

This is the important thing to remember about your HSA when enrolling in Medicare: **once you enroll in any part of Medicare, you're no longer eligible to make HSA contributions.** This includes Medicare Part A or Medicare Part B – either one will prevent you from contributing further to your HSA. Many people turning 65 who continue to work may consider getting Medicare Part A since it's premium-free. But, as stated, once you enroll in Part A, you can't make any more pre-tax contributions to your HSA. If you plan to keep working and want to continue building your HSA up, check to see if you're eligible to delay Medicare enrollment. If you're receiving Social Security benefits however, Medicare Part A is mandatory.

## What to do with your HSA if you get Medicare Part A

If you have to (or choose to) enroll in Medicare Part A, the coverage is retroactive for up to 6 months, but no earlier than your eligibility date. Because of this, you should plan to stop HSA contributions around 6 months before enrolling in Medical. You can contribute to your HSA for the months that you were eligible for Medicare and were not yet enrolled.

## The good news: You can keep using your HSA funds

Now for the good news! Even after you enroll in Medicare and stop HSA contributions, you are still able to withdraw funds tax-free for qualified medical expenses. You can even use your HSA to pay for some Medicare expenses including your Medicare Part B, Part D and Medicare Advantage plan premiums, deductibles, copays and coinsurance. Note: HSA funds cannot be used to pay for Medigap premiums.

## How an HSA Account Works



### Eligibility

Anyone who is:

- Covered by a High Deductible Health Plan (HDHP);
- Not covered under another medical plan that is not a High Deductible Health Plan (HDHP);
- Not entitled to Medicare benefits; or
- Not eligible to be claimed on another person's tax return



### Your Contributions

You can contribute up to the IRS maximum of \$4,300/individual or \$8,550/family.

You can make an additional "catch-up" contribution of up to \$1,000 per year if you are age 55 or older.



### Eligible Expenses

You can use your HSA to pay for medical, dental, vision and prescription drug expenses incurred by you and your eligible family members. *Please note: Funds available for reimbursement are limited to the balance in your HSA.*



### Using Your Account

Use the debit card linked to your HSA to cover eligible expenses – or pay for expenses out of your own pocket and save your HSA dollars for future health care expenses.



### Your HSA is always yours – no matter what

One of the best features of an HSA is that money left over at the end of the year remains in the account so you can use it the following year or at any time in the future.