

Health Savings Account

HSA – Plan is on a Calendar year Jan 1 – Dec 31

A health savings account allows you to set aside money on a pre-tax basis to pay for qualified expenses, such as doctor visits, prescriptions, braces, or even Lasik eye surgery, with tax-free dollars.

There is no use it or lose it rule with HSAs. Any remaining balance at the end of the year will roll over into the next year. HSAs are also portable. This means that if you were to change jobs or health plans, the money in your account stays with you.

One of the best parts of the HSA is its triple-tax advantage: tax-free deductions when you contribute to your account, tax-free investment earnings, and tax-free withdrawals for qualified medical expenses.

TIP

Keep all receipts from HSA expenses and associated documentation to prove HSA funds were used for qualified medical expenses.

When you enroll in the High Deductible Tan Plan, you will receive a card linked to your account to pay for qualified expenses. You may be penalized or taxed if you use your HSA funds to pay for ineligible expenses. Qualified expenses include prescriptions, contact lens fitting, orthodontia, acupuncture, artificial teeth, eye glasses, or other expenses that apply towards your deductible. A full list of qualified expenses can be found on the IRS website (IRS Publication 502).

Eligibility – Open enrollment contributions start on January 1

- You are enrolled in the **High Deductible Tan Plan**; and
- You are not covered under another medical plan such as Medicare**, Tricare or a spouse's medical plan (not a HDHP) which provides similar coverage; and
- You cannot be claimed as a dependent on another person's insurance policy or tax return
- You may use the money in your HSA to pay for qualified expenses for you, your spouse and dependents, even if they are not enrolled in your plan.

2027 IRS CALENDAR YEAR CONTRIBUTION LIMITS

Individual	Family	Age 55+ Catch Up	RSD Contribution Early November
\$4,500*	\$9,000*	\$1,000	\$1,698.96

*This includes the **district** contribution. Make sure to subtract the **district** contribution before determining your annual contribution. ...

**Check with your Tax advisor on when to stop contributing to your HSA prior to enrolling in Medicare.