

# Health Savings Account (HSA)

If you elect the HDHP (a qualified high deductible plan) and you are not enrolled in disqualifying coverage elsewhere, you are eligible to contribute to a Health Savings Account through the financial institution of your choice. You can set aside tax-free money from each paycheck now and save funds to cover qualified healthcare expenses that come up later.

## How does an HSA work?

Confirm amount to be deducted from each paycheck. Activate your account through your financial institution. Use your HSA debit card to pay for qualifying expenses.

To view eligible purchases with your HSA account, please visit [hsastore.com](https://hsastore.com).

## Limitations

- Can not be enrolled in Medicare or Tricare
- Can not be claimed as a dependent on someone's tax return
- Can not be receiving Veterans Affairs (VA) benefits, or within the past 3 months (unless for a service-related disability)
- Can not be contributing towards a Healthcare FSA, nor can you be covered under a spouse's FSA

## Advantages †

- Balance rolls over each year
- Contributions are tax-free
- Account belongs to you; any money in the account is yours - no vesting

† Tax treatment of HSAs for state tax purposes may vary by state

## Distributions

- Money must be in the account to spend
- Funds can be used for you and your tax dependents' eligible expenses
- 20% tax penalty applied if you are under age 65 and use the funds for non-eligible expenses
- At age 65, monies can be used for non-eligible health expenses with no penalty; normal income tax will apply
  - You can also pay for Medicare Part B premiums with your HSA funds

Enrollment Tiers	2026 Maximum Contribution Allowed
<b>Employee Only</b>	\$4,400
<b>Employee + Dependent(s)</b>	\$8,750
<b>Employee 55+ Over</b>	Additional \$1,000 per year as catch-up