

Introduction to Health Savings Accounts



A health savings account (HSA) allows you to save money for qualified medical expenses that you're expecting, such as contact lenses or monthly prescriptions, as well as unexpected ones — for this year and the future. The money you deposit is yours until you spend it, and you can keep it even if you change jobs, health plans or retire.

Tax savings

HSAs help you plan, save and pay for health care, all while saving on taxes.

- The money you deposit is federal income tax-free.
- Savings grow income tax-free.
- Withdrawals for qualified medical expenses are also income tax-free.

Who can open an HSA?

To be an eligible individual and qualify for an HSA, you must have a high-deductible health plan (HDHP) that meets IRS guidelines for the annual deductible and out-of-pocket maximum.

| | Individual coverage | Family coverage |
|------|---|--|
| 2018 | Deductible minimum \$1,350 | Deductible minimum \$2,700 |
| | Out-of-pocket maximum \$6,650 | Out-of-pocket maximum \$13,300 |

Contribution limits

There are contribution limits, set by the Internal Revenue Service (IRS) and adjusted annually.

These limits are:

- **\$3,450** for individual coverage in 2018
- **\$6,850** for family coverage in 2018
- **\$1,000** extra if you're 55 or older, also known as catch-up contributions

In addition, you must:

- Be covered under a qualifying HDHP on the first day of a given month.
- Not be covered by any other health coverage except what is permitted (dental, vision, disability and some other types of additional coverage are permissible).
- Not be enrolled in Medicare, TRICARE or TRICARE for Life.
- Have not received Department of Veterans Affairs (VA) benefits within the past three months, except for preventive care. If you are a veteran with a disability rating from the VA, this exclusion does not apply.
- Not be claimed as a dependent on someone else's tax return.
- Not have a health care flexible spending account (FSA) or health reimbursement account (HRA). Alternative plan designs, such as a limited-purpose FSA or HRA, might be permitted.

Other restrictions and exceptions also apply. Consult a tax, legal or financial advisor to discuss your personal circumstances.

Open your account.

Check with your employer or benefits specialist to learn about your company's application process. You may be able to sign up through your employer or enroll at optumbank.com.

Pay for qualified medical expenses.

Once you've contributed to your account, you can use the funds in your HSA to pay for qualified medical expenses such as:

- Doctor office visits
- Dental care, including extractions and braces
- Vision care, including contact lenses, prescription sunglasses and LASIK surgery
- Prescription medications
- Chiropractic services
- Acupuncture
- Hearing aids and batteries

For a full list of qualified medical expenses, visit [IRS.gov](https://www.irs.gov).



Have questions?

Visit optumbank.com

Contributions add up quickly.

When Marcus started his new job, he decided to open an HSA and contribute \$100 per month. Because he hasn't had many medical expenses, he decided not to touch the balance during his first year. Here's how his contributions added up:

Monthly contribution: **\$100**

Annual contribution: **\$1,200**

Annual income tax savings¹: **\$452**

¹ 25% federal | 5% state | 7.65% FICA

Use the HSA Calculator on optumbank.com to help determine your contributions and see how much you can save on taxes.

Open your HSA today.



Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.