Making the Most of Your HSA

What is a Health Savings Account? What are the advantages?



WHAT IS AN HSA?

A Health savings account (HSA) is a type of account you can use to pay for certain out-of-pocket health care expenses if you have a high deductible health plan (HDHP). HSAs are tax-advantaged, which means you don't pay taxes on contributions or withdrawals on qualified expenses.

ADVANTAGES

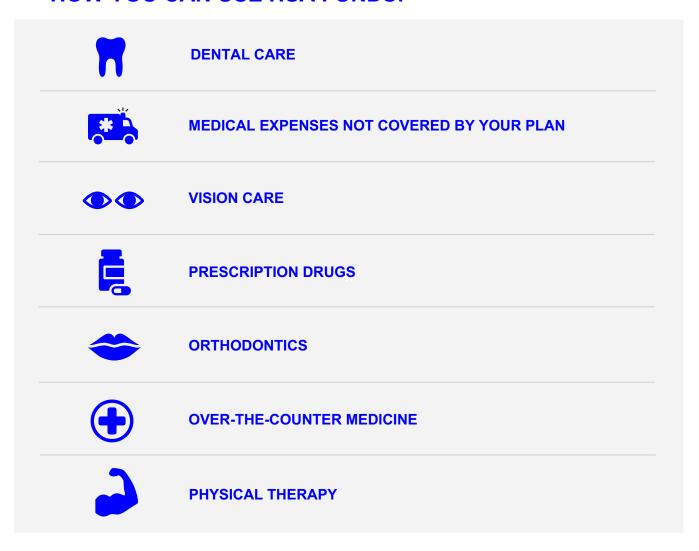
- The money in the account is yours and is still available to you even if you switch plans or change jobs.
- If you don't spend the money in the account, it rolls over to the next year. There's no limit to how much money may be rolled over.
- HSAs have what's called a triple tax advantage contributions are tax free, earnings from interest are tax free and withdrawals are tax free (as long as they're for qualified expenses).
- You can invest the money in your HSA so it can grow even more.
- Most HSAs have a debit card to use on qualified expenses, making the process easy.

GOOD TO KNOW

You must have a high deductible health plan to open an HSA.	The annual contribution limit set by the IRS is \$3,600 Self-Only and \$7,200 Family for 2021.
If you use HSA funds for anything other than qualified expenses, you will have to a pay a penalty and income taxes on those funds.	After age 65, you may use the HSA money for expenses other than qualified medical expenses without a penalty, but you'll have to pay taxes on the withdrawals.



HOW YOU CAN USE HSA FUNDS:



See IRS Publication 502 for more information on what's eligible for HAS reimbursement.

