



# Health Savings Accounts

Triple Tax Advantage

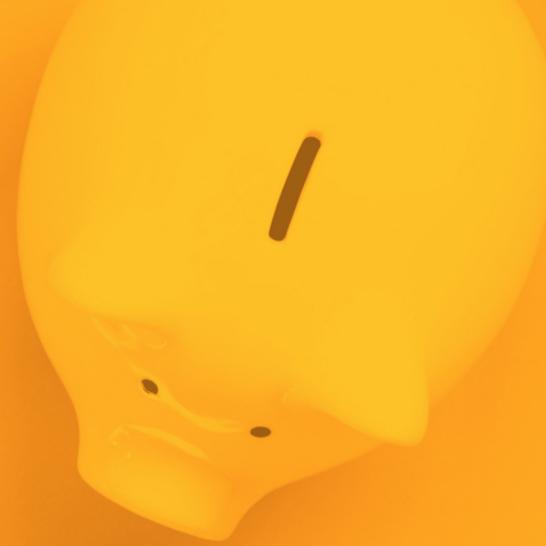
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## Health Savings Accounts

A Health Savings Account (HSA) allows you to pay for out-of-pocket healthcare expenses with pre-tax dollars, provides a triple-tax advantage and is a method to save for future healthcare expenses.

**Triple Tax Advantage:** Contributions, earnings, and qualified distributions are tax free!

An HSA is an individual financial account, fully owned by you in the same manner as a personal bank account. Tax free contributions can be made to an HSA when you are enrolled in an HSA qualified High Deductible Health Plan (HDHP). The money in your account remains yours even if you change employer or retire, and funds remain in the account until you spend them → there is no deadline to spend HSA funds.



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## Eligibility to Make and Receive Contributions to an HSA

HSA contributions can only be made if you are enrolled in an HSA-qualified HDHP. Federal regulations determine what makes a medical plan qualified to be paired with an HSA.

### Additional general eligibility requirements are →

- You must be a United States resident and work and pay taxes in the U.S.
- You cannot be enrolled in a non-HSA qualified medical plan, including Health FSA (although you can be enrolled in a Limited Purpose FSA for dental and vision expenses only)
- If you are married, your spouse cannot be enrolled in a Health FSA, but his/her enrollment in a Limited Purpose FSA is permitted
- You cannot qualify as someone else's tax dependent
- You cannot be enrolled in Medicare\*

\* There are typically triggers that result in automatic enrollment in Medicare Part A (such as collecting Social Security benefits at age 65 or older). Prior to one of these triggers, you should consult with the Social Security Administration on your Medicare Part A enrollment and effective date as it will impact your eligibility to make contributions to an HSA.

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## Our Banking Partner

Once your HSA enrollment is processed by Benefit Strategies, your enrollment information will be forwarded to our banking partner, Healthcare Bank (member FDIC), to establish your account. Healthcare Bank is a division of Bell Bank, one of the Midwest's largest banks.

## Our Banking Partner (continued)

Benefit Strategies HSA administration is fully integrated with your account at Healthcare Bank. You will have convenient and secure account access through your personal login at **benstrat.com** and through the Benefit Strategies mobile application. HSA funds are held in an interest-bearing cash account. You can set your account so that funds automatically move to investments once your cash account balance has reached a certain threshold. Your investment earnings, like interest earned in your cash account, grows tax-free! You can find information on current investment options in the HSA resource section at **benstrat.com/resources-forms**.

## Making Contributions

You and anyone else can make contributions to your HSA, but you need to stay within the annual contribution maximums established by the IRS. This amount is set annually and you can find the current contribution maximums in the HSA resource section at **benstrat.com/resources-forms**. Your contribution can be made through payroll deduction on a pre-tax basis (Federal, FICA and (in most states) State taxes). You can also make direct contributions to your HSA on a post-tax basis and take the tax break when you file your taxes (although you will not have the FICA tax savings as you do with payroll contributions).

## Qualified HSA Expenses

HSA funds can be used to pay for qualified expenses for yourself, your legally married spouse and your tax dependents\*. Qualified expenses include not only the out-of-pocket expenses you incur under your HSA qualified HDHP, but many other medical, dental and vision expenses. You can even use HSA funds to pay for certain medical plan premiums in retirement. For a list of HSA-eligible expenses, visit the HSA section at **benstrat.com** or view IRS Publication 502, published annually.

\* Definition of HSA-eligible dependents may be different than the definition of eligible dependents on your medical plan.

## Using Your HSA Funds (Distributions)

Although there are regulations governing when contributions can be made to your HSA, there are no regulations on when you can spend your HSA funds. Because the funds in your HSA are owned by you, they can be used at anytime, even after you are no longer enrolled in a HSA-qualified HDHP.

You can pay for qualified healthcare expenses by →



Using your debit card, which will be sent once you open your account



Using non-HSA funds and then requesting a distribution to pay yourself back



Requesting a distribution payment be made on your behalf via check to someone else such as a provider (check fee may apply)

## Using Your HSA Funds → Distributions (continued)

Be sure to keep all receipts for HSA transactions with your other important tax documents.

Funds held in the cash account are available immediately when you swipe your card or request a distribution. For invested funds, you will need to request a distribution through your secure online account, the mobile app, or complete and submit a distribution form. Typical turn-around time for disbursements from invested funds is 5-7 business days.

### Tax Implications of Using HSA Funds

Age	Qualified Expenses	Non-Qualified Expenses
Under 65	Tax Free	Taxable & 20% Tax Penalty
65+	Tax Free	Taxable

## HSA Resources

The HSA resource section at [benstrat.com/resources-forms](https://benstrat.com/resources-forms) contains many resources to help you learn about and manage your HSA.

## Managing Your Account

Through your secure online account at [benstrat.com](https://benstrat.com), and through the Benefit Strategies mobile application, you can view your account balance and transaction history, make post-tax contributions, request distributions and manage investment options.

## Have Questions?

We've got you covered.

**Mon → Thurs:** 8:00am – 6:00pm ET

**Friday:** 8:00am – 5:00pm ET

**Toll Free:** 888-401-3539

**Online Chat:** [benstrat.com](https://benstrat.com)

**Text-To-Chat:** 888-401-3539

**Email:** [info@benstrat.com](mailto:info@benstrat.com)

Language translation service available

(Automated system available at all times)