

What is a Health Savings Account (HSA)?

Health Savings Accounts (HSAs) are tax-advantaged medical savings accounts available to United States taxpayers who are enrolled in a High Deductible Health Plan (HDHP). HSAs are owned by the individual, differentiating them from company-owned Health Reimbursement Arrangements (HRAs) that are an alternate tax-deductible source of funds paired with HDHPs. And, unlike a Flexible Spending Account (FSA), HSA funds roll over and accumulate year over year if not spent, with the ability to earn tax-free interest on the account. HSA funds may be used to pay for qualified medical expenses at any time without federal tax liability.

Who is eligible to open an HSA?

If you have a qualified High Deductible Health Plan (HDHP) - either through your employer or one you've purchased on your own - chances are you can open an HSA. Additionally:

- You must have a valid Social Security Number (SSN) and a primary residence in the U.S.
- You cannot be covered by any other type of health plan, including Medicare Part A or Medicare Part B.
- You cannot be covered by TriCare.
- You cannot have received medical benefits from Veterans Administration (VA) for any non-service-connected disabilities at any time during the previous three months.*
- You cannot be claimed as a dependent on another person's tax return (unless it's your spouse).
- You must be covered by the qualified HDHP on the first day of the month.

** Title 38 of the United States Code, Section 101(17) defines "non-service-connected" as, with respect to disability, that such disability was not incurred or aggravated in line of duty in the active military, naval, or air service.*

What is a High Deductible Health Plan (HDHP)?

A high deductible health plan (HDHP) is a health insurance policy that features higher deductibles and lower premiums than traditional insurance plans. HDHPs can be combined with a health savings account or a health reimbursement arrangement that allows for payment of qualified out-of-pocket medical expenses on a pre-tax basis.

Can I be covered under another health plan and still open an HSA?

- If you are covered by another health plan (such as through your spouse's employer), that health plan must meet the criteria outlined above for a qualified HDHP. If you are enrolled in a health plan that does NOT meet the criteria for a HDHP, you may NOT set up an HSA and you must stop contributing to any HSA you do have.
- You may be covered by the following plan types while still being eligible to set up an HSA: dental; vision; short- and long-term disability; life and accidental death; long-term care; and certain health Flexible Spending Accounts (FSAs), including: insurance for specific types of diseases or illnesses, such as cancer plans; hospital indemnity plans; limited-purpose FSA (dental & vision only); and post-deductible Health Reimbursement Arrangements (HRAs).

What are the advantages of opening an HSA?

You are eligible for this benefit if you have a dependent (whose expenses are eligible) who requires care to enable you to work. In addition, you must meet one of the following eligibility criteria:

- You are unmarried.
- Your spouse works, is a full-time student, is actively seeking work, or is disabled (incapable of self-care).
- You are divorced or legally separated and have custody of your child even though your former spouse may claim the child for income tax purposes.

Which expenses are considered IRS-qualified medical expenses?

You can pay for a wide range of IRS-qualified medical expenses with your HSA, including many that aren't typically covered by health insurance plans. This includes deductibles, co-insurance, prescriptions, dental and vision care, and more. For a complete list of IRS-qualified medical expenses, visit irs.gov or hsabank.com/IRSQualifiedExpenses.

How do I use my HSA funds to pay for IRS-qualified medical expenses?

You can pay for IRS-qualified medical expenses with funds from your HSA by using your debit card. You can also pay for part of all of your IRS-qualified medical expenses out-of-pocket and reimburse yourself later with HSA funds.

Do I need to submit receipts for HSA expenses?

No. You do not need to submit any receipts to us or file any claims. Just be sure to use the money for IRS-qualified medical expenses and save your receipts for tax purposes. Using our online expense tracker, you can easily enter expense information and securely upload receipts and supporting documentation.

Where can I use my HSA?

You can use your HSA debit card to pay for doctor visits at the time of the appointment or for qualified items at a pharmacy or other retailer as long as it is for a qualified medical expense. You can also use your debit card to withdraw cash from an ATM to reimburse yourself for expenses you paid out-of-pocket (a transaction fee may apply).

Can an HSA be used to pay for previous year expenses?

You can pay or reimburse yourself for any eligible medical expenses incurred after your HSA was established.

How can I check my HSA balance?

You can check your HSA balance by visiting the Member Website, where you will have secure, 24/7 access to your real-time account balances and transaction history.

Can I use my HSA for my spouse?

You can use your HSA to cover qualified medical expenses for you, your spouse, and any dependent children included on your income tax return.

How much can I contribute to my HSA?

The 2024 maximum contribution limits are \$4,150 for single plans and \$8,300 for family plans. Individuals age 55 and older can make an additional \$1,000 catch-up contribution. Learn more by visiting the [IRS Guidelines & Eligible Expenses](#) page.

What if I don't use all of my funds within the year?

Unused HSA funds roll over year to year; there is no "use it or lose it" penalty. Funds that are rolled over continue to grow and earnings are tax free. At age 65, you will have the ability to use your HSA funds for any purpose on a taxable basis. This makes funding your HSA a great way to save for retirement.

Can I invest my HSA?

Yes you can. Choose from a wide range of securities, including mutual funds, stocks, bonds and more. You can transfer funds between your HSA cash and investment accounts in the Member Website OR by contacting our Participant Support Center.

How do I transfer an HSA?

If you already have a Health Savings Account (HSA) at another institution and would like to transfer the balance to your new HSA, you can find the instructions on our *Transfer and Rollover page*.

What if I'm no longer covered under a high-deductible health plan (HDHP)?

Your HSA funds are never lost due to changes in employment or health plan. If at some point you are no longer covered by an HDHP, you still have access to your funds and can use them to pay for IRS-qualified medical expenses; however you are simply no longer eligible to make contributions.

For plan assistance please contact:

TAG Participant Support

Phone: (877)506-1660

Email: support@enrollwithtag.com