



## HSAs: A Healthy Investment

Are you ready to take a few minutes to learn about Health Savings Accounts (HSAs)? These accounts are an important part of a revolution in health care — a revolution offering you savings, control and ownership.

With BenefitWallet®, you can quickly build a health care “piggy bank” for current and future health care expenses with tremendous tax advantages — while you enjoy the security of health care coverage that protects you and your family.

How does it work? To help pay and save for health care expenses, the government allows individuals covered by high-deductible plans to open HSAs. Both the HSA owner and their employer are allowed to contribute to the account, but the owner gets to control and keep any funds left over after each year.

The HSA offers valuable savings on federal and state taxes\*:

- Contributions are tax free
- Account interest accumulates tax free
- Dollars spent on qualified medical expenses are tax free

*\*Free from state tax in most states*

Any balance left over at the end of the year stays with the individual, available regardless of job changes or retirement. Balances earn interest and may be invested, offering HSA owners the ability to set aside thousands of dollars for later health care needs.

### Learn More About HSAs

Visit [www.mybenefitwallet.com](http://www.mybenefitwallet.com) for complete information on BenefitWallet and tools.

Search for HSA-related information on [www.irs.gov](http://www.irs.gov), or call the BenefitWallet Service Center at 1 877.472.4200.

### Example: Federal Tax Savings Available with an HSA

HSA owner contribution: \$1,000

Tax Rate	Potential Savings
35%	\$350
33%	\$330
28%	\$280
25%	\$250
15%	\$150

In addition to the federal tax advantages, most states provide additional state tax deductions or rebates.

### HSA Savings Over Time

If an individual contributed \$1,500 into an HSA each year starting at age 35 — and spent \$500 of that \$1,500 each year on health care expenses — after 30 years the account could grow to over \$185,000.

And at age 65 or after, account funds are available for non-medical expenses, without tax penalties!

(This example assumes the owner takes advantage of available HSA investment options and receives an average 8% annual return.)

## HSAs: How They Work

The idea is simple: you choose to set up an HSA as you enroll in an HSA-compatible health plan. As you build up a balance in your account, you can use your tax-free HSA dollars to pay for your eligible health care costs, such as doctor and hospital visits (“qualified medical expenses”).

Even better, most qualified medical expenses paid from your HSA are credited toward meeting the deductible of your new health plan.

If your total expenses reach your health plan deductible, an out-of-pocket maximum kicks in, capping your cost and activating insurance coverage for all additional covered expenses for the plan year.

Even if you don’t meet your deductible, you can use your tax-advantaged HSA dollars to pay for qualified medical expenses covered under your health plan, such as for chiropractic care, eyeglasses or other vision expenses, or alternative medical expenses.

## Growing your HSA

Each year you may make HSA contributions up to an annual limit specified by the IRS:

- For 2015, that annual contribution limit is \$3,350 for individual coverage and \$6,650 for family coverage.
- For 2016, that annual contribution limit is \$3,350 for individual coverage and \$6,750 for family coverage.

### Signing Up: Easy as 1, 2, 3!

1. After you enroll in the High Deductible Health Plan (HDHP) coverage, you’ll receive a Welcome Kit in the mail that will provide you with more information and ask you to name an account beneficiary.
2. Return the paperwork to receive an HSA checkbook and health care payment card (in separate mailings, for your protection) to use to pay for your health care expenses.
3. You’ll have access to all of your account activity online. If you have questions, you can call the BenefitWallet Service Center toll free at 1 877.472.4200.

## More Opportunities to Save

Have you ever compared prices as you shopped for a car or planned a trip? With your HSA, you decide where to spend your health care dollars, and you keep the savings as you make smart health care decisions. Simple steps to keep more money in your account include:

- Using the discounted health care provider network
- Asking for generic prescriptions when they’re available
- Asking your physician questions about treatments and tests

If you are age 55 or older, you may make additional “catch-up” contributions of up to \$1,000 for 2015 and 2016. (Some additional rules apply if you enroll after January 1. Visit our website at [www.mybenefitwallet.com](http://www.mybenefitwallet.com) for more information.)

If your employer puts money in your account, those contributions count toward your contribution maximum for the year. The good news, though: you own that money, regardless of whether you leave your current job or retire.

You can choose to fund your HSA to meet your expected health care costs for the next year, or fund up to the contribution limit to build up tax-advantaged savings for the future.

At the end of the year, any funds you have not used remain in your account, “rolling over” for future expenses. As your account grows, you can elect to transfer funds into an investment account.

BenefitWallet offers an integrated investment platform with over 25 investment options from a variety of fund families.

You can open investments online once your HSA checking balance reaches \$1,000.

If or when you need those investment dollars for health care expenses, they can be returned to your original account without penalty.