



## Five reasons to open your BenefitWallet HSA

With a BenefitWallet® Health Savings Account (HSA), you have an easy way to save and pay for eligible health care expenses, tax free. It's a great complement to the HSA-qualified health plan offered by your employer.



### 1. Save up to 35% on your health care costs.

HSAs are one of the most tax-advantaged accounts available. You don't pay taxes on the money you put in, take out, or earn in your HSA.



### 4. Use it for yourself and your family on medical expenses.

Pay for a broad range of every day qualified health care expenses. Everything from doctors and prescriptions to dental and vision costs qualify.



### 2. Take advantage of lower health care premiums.

HSA-qualified health plans typically have lower premiums than other plans. Take the savings from your premiums and put them in your HSA — it's like earning extra income.



### 5. It's more than a spending account.

Even if you don't spend much on health care today, your HSA is still a great tool to build a safety net for future and unexpected expenses, plus health care costs in retirement.



### 3. Your HSA never expires.

Your HSA funds never expire and are yours to keep from year to year — even if you change jobs, switch health plans, or retire. You choose when to spend your savings — today, tomorrow, or in retirement.



### We're here to help!

For more information, visit our website at [mybenefitwallet.com](https://mybenefitwallet.com) or call us at 877.472.4200.

# Health Savings Accounts:

## Frequently asked questions

### What is a Health Savings Account (HSA)?

An HSA is a special bank account that allows you to save and pay for your share of qualified health care expenses tax free. You can also use your HSA for your spouse and any tax dependent, even if they are not covered by your health plan.

### How do I qualify for an HSA?

You must be enrolled in an HSA-qualified health plan. Ask your employer or insurance company if your plan qualifies. In addition, you cannot be covered by another health plan (including Medicare or Tricare) or be claimed as a dependent on another person's tax return.

### How do I make deposits to my HSA?

If available, using payroll deductions through your employer is the most convenient way to contribute. Plus, you get maximum tax benefits, including payroll tax savings. You can also contribute online by making deposits from your checking account, or by mailing a personal check.

### What expenses qualify for HSA payment?

Use funds in your HSA to pay for any health-related out-of-pocket expense that you owe, such as doctor's visits, prescriptions, lab tests, and hospitalizations. You can also pay dental, vision, acupuncture and chiropractic costs with your HSA.

For a complete list: [irs.gov/pub/irs-pdf/p502.pdf](https://www.irs.gov/pub/irs-pdf/p502.pdf).

### How do I make payments from my HSA?

The easiest and most convenient way to make payments from your HSA is with your Visa® HSA debit card if provided by your employer. If paying at the point of sale (e.g. prescriptions), simply present your debit card and pay. For many services, you will need to wait until your claim is processed and the amount you owe is determined. You will receive an Explanation of Benefits (EOB) from your insurance company and a bill from your provider. You can easily fill in the debit card number when paying the bill. Other forms of payments available include online bill pay, using an HSA check, or transferring funds to your personal checking account to reimburse yourself for expenses you paid with funds outside your HSA.

### What are the tax benefits of HSAs?

HSAs offer tax benefits that make them one of the most tax-advantaged accounts available:

1. Deposits to your HSA are free of federal income tax and state income tax (in most states).
2. Interest and investment earnings within the account are tax free.
3. When you spend funds from your HSA on qualified expenses, there is no tax.

If you make HSA deposits through your employer, you typically save on payroll taxes as well. You can save as much as 35% on every dollar you put into your HSA.

## Do HSA funds expire?

Your HSA funds never expire. Any funds you don't spend roll over year after year and can be saved for retirement. Although there is an annual limit for contributions, there is no limit to the total amount saved in your account.

## What if I change jobs or health plans?

You own your HSA. If you change jobs or health plans, you continue to own your account. If you enroll in another HSA-qualified health plan, you can continue to contribute to your HSA. If you choose another type of health plan, you are still eligible to spend the funds in your HSA on qualified medical expenses: for you, your spouse, and your tax dependents.

## Can I invest the funds in my HSA?

Yes — once you reach a balance of \$1,000 you are eligible to invest the funds in your HSA. BenefitWallet offers a broad range of high-performing, no-load, no transaction fee mutual funds you can choose from. Your HSA can work just like a 401(k) for health care expenses, and the investment account portion of your HSA is accessible through [mybenefitwallet.com](https://mybenefitwallet.com), where you can easily manage investment elections and track the performance of your portfolio.

## What if I use my HSA for an expense that is not qualified?

If you use your HSA for a non-qualified expense, you will be subject to a 20% tax on the amount spent. You will also need to pay applicable income tax on the amount.

## What happens to my HSA when I turn 65?

If you do not enroll in Medicare and remain in an HSA-qualified health plan, you can continue to use your HSA as you did before age 65. If you choose to enroll in Medicare, you are no longer eligible to contribute to your HSA, but you can continue to use it for qualified expenses. Additional expenses qualify at age 65, including certain Medicare premiums. At age 65 you are also no longer subject to the HSA excise tax, allowing you to use your HSA for non-qualified expenses and just pay regular income tax — similar to how you can use funds from a 401(k) in retirement.



## What happens to my HSA if I die?

If you are married and your spouse is your beneficiary, the HSA transfers to them, they become the account owner, and they can use the account as their own. If you are unmarried, the account becomes part of your estate and passes to your heirs along with your other assets.

## Need more information?

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