



# Health Savings Account



How you can pair a health savings account  
with a high-deductible health plan



# Three questions to ask if you're considering a high-deductible health plan with an HSA.

## **1 What's an HSA and how does it help me save?**

A health savings account (HSA) is a way for you and your employer to set aside money to pay health care expenses for you and your family. HSAs allow you to save money because you fund them with money that isn't taxed. From year to year, you can use the money you contribute to your HSA to help pay for qualifying future and post-retirement health care expenses.

## **2 How is a high-deductible health plan (HDHP) different from traditional coverage?**

Typically in a high-deductible health plan, you pay more upfront costs. But you can pair it with an HSA funded with pre-tax dollars to offset those costs.

## **3 Is an HSA right for me?**

Whether or not you have a lot of health care expenses, you can pay for qualified health care expenses with tax-free dollars from your HSA.





## HSA Advantages

HSA's offer you a smart way to save for health care expenses. The most obvious benefit of an HSA is contributing funds before taxes, but HSA's have other unique financial advantages.

- › HSA's don't have a time limit, so balances roll over each year.
- › HSA funds earn tax-free interest.
- › You can invest HSA funds.
- › HSA's can help in your overall retirement strategy.
- › Gains on HSA investments are tax free.
- › The funds belong to you, even if you change jobs.



## HSA Savings Example\*

Jennifer has an HSA-eligible plan for herself, her husband and two children. She contributes \$6,000 to her HSA.

**Jennifer's Health Plan**

| In-network deductible | Out-of-pocket maximum | Health plan pays (network) |
|-----------------------|-----------------------|----------------------------|
| <b>\$5,000</b>        | <b>\$10,000</b>       | <b>80%</b>                 |

Her family has \$5,500 in health care expenses for the year, which meets her \$5,000 deductible. Her health plan pays 80% of the remaining \$500 (\$400) and she pays 20% (\$100).

| Starting HSA Balance | Amount Paid to Meet Deductible | Amount Paid after Deductible | HSA Balance to Carry Over | Federal Tax** Savings |
|----------------------|--------------------------------|------------------------------|---------------------------|-----------------------|
| <b>\$6,000</b>       | <b>\$5,000</b>                 | <b>\$100</b>                 | <b>\$900</b>              | <b>\$1,500</b>        |

\* This is only an example. Situations will vary based on plan specifics.

\*\* Federal tax savings based on a \$6,000 contribution at a 25% federal tax level.



## Are You Eligible to Contribute to an HSA?

| Your Situation  | Eligible to Contribute?   |
|---|---|
| You're enrolled in an HSA-qualified plan only.  | <b>Yes</b>  |
| You're enrolled in an HSA-qualified plan and in Medicare.   | <b>No</b>   |
| You're enrolled in an HSA-qualified plan, and your spouse is enrolled in Medicare.  | <b>Yes</b>  |
| You're enrolled in an HSA-qualified plan, and your spouse is also enrolled in a high-deductible plan through their employer.  | <b>Yes</b>  |
| You have HSA-qualified family coverage, and your spouse has traditional coverage that includes the children, but not you.   | <b>Yes</b>  |
| You have HSA-qualified family coverage, and your spouse has traditional coverage and a health care Flexible Spending Account (FSA) or Health Reimbursement Arrangement (HRA). | <b>No</b> , regardless of whether you are covered under your spouse's medical plan. |
| You have HSA-qualified family coverage, and your spouse has family traditional coverage that covers you.  | <b>No</b>   |

# Setting Up Your HSA

## 1 Choose an HSA Administrator

You can choose any HSA administrator for your account. (If you want to fund your HSA through payroll deduction, ask your employer which administrators you should use.)

## 2 Decide How Much to Contribute

Confirm your employer's contribution and decide how much money you want to put in the HSA. See contribution limits below.

## 3 Ask Your Employer for Tax-Free Payroll Deductions

If you choose to contribute to your HSA through payroll deduction, ask your employer to withhold an equal part of your annual contribution amount each pay period. Contributions are tax free.



### 2024 IRS Employer & Employee Combines Contribution Limit

- › Individuals: **\$4,150**
- › Family: **\$8,300**
- › HSA holders age 55 and older can make catch-up contributions **up to \$1,000 per year**



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# Using Your HSA For Health Care Expenses

- 1 Visit a provider in your BlueCross network.
- 2 Pay the provider directly from your HSA account or other method. If you choose another method for payment, you can pay yourself back from your HSA. Providers may ask for the entire payment at the time of service.
- 3 After you reach your deductible, your health plan will cover a percentage of your eligible health care expenses (typically 80% or 100%, depending on your plan).
- 4 After you reach your out-of-pocket maximum, your health plan will cover care from providers in your network at 100%.

## Examples of HSA-Qualified Health Care Expenses\*

- › Deductibles
- › Copays
- › Coinsurance
- › Prescription medications
- › Dental expenses
- › Vision care
- › Hospital services

\*Refer to IRS publication 213(d) for a complete list of qualified health care expenses.

## Non-Qualified Expenses

The true benefit of an HSA is the tax break you receive. You won't pay taxes for contributions or withdrawals if you use the funds for qualified health care expenses. While the money in the account is yours, you lose the tax break for any amount you spend on nonqualified expenses. The tax penalty is the standard income tax, plus 20% for people under age 65, except in cases of death or disability.

# Reminders About Using Your HSA

## Other Premiums

Generally, premiums are NOT HSA-qualified expenses. Here are a few exceptions:

- › Qualified long-term care premiums
- › COBRA payments
- › Premiums for health coverage while receiving unemployment benefits
- › Medicare premiums (Medicare Supplement premiums are NOT eligible)

## Medicare Enrollment

### **Before Medicare Enrollment:**

You can contribute to your HSA while enrolled in an HSA-qualified plan.

### **After Medicare Enrollment:**

You can no longer fund your HSA, but you can use the money in the account for eligible health care expenses.

## Record Keeping & IRS Reporting

Keep a record of all HSA expenses. You'll need to report any HSA funds you use for nonqualified expenses as income when you file your tax returns.

\* This information is provided for general use and isn't legal or tax advice. Please direct specific questions to your legal counsel or tax professional.



## Questions? Call a Coach

Our Consumer Coaches are happy to help.

If you have questions about:

- › Setting up your HSA
- › Choosing your health plan
- › Using online tools at **[bcbst.com](https://www.bcbst.com)**

We're happy to help you.

Please contact us at:

**1-800-527-9206**

**[ConsumerCoach@bcbst.com](mailto:ConsumerCoach@bcbst.com)**

### **Click to Chat**

Log in to your online BlueCross account to chat with us.

**For other questions about your HSA, please contact your HSA administrator.**

BlueCross BlueShield of Tennessee (BlueCross) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. BlueCross does not exclude people or treat them differently because of race, color, national origin, age, disability or sex.

BlueCross:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as: (1) qualified interpreters and (2) written information in other formats, such as large print, audio and accessible electronic formats.
- Provides free language services to people whose primary language is not English, such as: (1) qualified interpreters and (2) written information in other languages.

If you need these services, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711).

If you believe that BlueCross has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance ("Nondiscrimination Grievance"). For help with preparing and submitting your Nondiscrimination Grievance, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711). They can provide you with the appropriate form to use in submitting a Nondiscrimination Grievance. You can file a Nondiscrimination Grievance in person or by mail, fax or email. Address your Nondiscrimination Grievance to: Nondiscrimination Compliance Coordinator; c/o Manager, Operations, Member Benefits Administration; 1 Cameron Hill Circle, Suite 0019, Chattanooga, TN 37402-0019; (423) 591-9208 (fax); Nondiscrimination\_OfficeGM@bcbst.com (email).

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD). Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

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BlueCross BlueShield of Tennessee is a Qualified Health Plan Issuer in the Health Insurance Marketplace.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Si usted es miembro, llame al número de Servicio de atención a miembros que figura al reverso de su tarjeta de identificación de Miembro o al 1-800-565-9140 (TTY: 1-800-848-0298).

ملحوظة: إذا كنت تتحدث انكسر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. إذا كنت عضواً، فاتصل برقم خدمة الأعضاء الموجود على ظهر بطاقة هوية العضو أو بالرقم 1-800-565-9140 (الهاتف النصي: 1-800-848-0298).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。如果您是會員，請撥打會員 ID 卡背面的會員服務部號碼或 1-800-565-9140 (聽障專線 (TTY) : 1-800-848-0298)。

CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Nếu quý vị là hội viên, hãy gọi đến số Dịch vụ Hội viên ở mặt sau thẻ ID Hội viên của quý vị hoặc 1-800-565-9140 (TTY: 1-800-848-0298).

주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 가입자의 경우, 가입자 ID 카드 뒷면의 가입자 서비스 전화번호 또는 1-800-565-9140(TTY: 1-800-848-0298) 번으로 전화하시기 바랍니다.

ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Si vous êtes adhérent, appelez le numéro du Service adhérents indiqué au dos de votre carte d'assuré adhérent ou appelez le 1-800-565-9140 (TTY/ATS : 1-800-848-0298).

ໂປດຂອງ: ຖ້າວ່າ ທ່ານເວົ້າພາສາ ລາວ, ການບໍລິການຊ່ວຍເຫຼືອດ້ານພາສາ, ໂດຍບໍ່ເສັຽຄ່າ, ແມ່ນມີພ້ອມໃຫ້ທ່ານ. ຖ້າທ່ານເປັນສະມາຊິກ, ໃຫ້ໂທຫາເບີຂອງຝ່າຍບໍລິການສະມາຊິກທີ່ມີຢູ່ດ້ານຫຼັງບັດ ID ສະມາຊິກຂອງທ່ານ ຫຼື 1-800-565-9140 (TTY: 1-800-848-0298).

ማስታወሻ: የሚናገሩት ቋንቋ አማርኛ ከሆነ የትርጉም አርዳታ ደርድሩን፣ በነጻ ሊያገኙዎት ተዘጋጅተዋል። አባል ከሆኑ፣ በአባልነት መታወቂያዎ ጀርባ ላይ በሚገኘው የአባልነት አገልግሎት ቁጥር ወይም በ 1-800-565-9140 (መስማት ለተሳናገኙው፣ TTY: 1-800-848-0298) ይደውሉ።

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Falls Sie ein Mitglied sind, rufen Sie die Nummer des Mitgliederdienstes auf der Rückseite Ihrer Mitglieds-ID-Karte oder 1-800-565-9140 (TTY: 1-800-848-0298) an.

સુચના: જો તમે ગુજરાતી બોલતા છો, તો નિ:શુલ્ક ભાષા સહાયતા સેવાઓ તમારા માટે ઉપલબ્ધ છે. જો તમે સભ્ય છો, તો તમારા સભ્ય આઈડી કાર્ડની પાછળના સભ્ય સર્વિસ નંબર ઉપર અથવા 1-800-565-9140 (TTY: 1-800-848-0298) પર કૌંચ કરો.

注意事項：日本語を話される場合、無料の言語支援をご利用いただけます。会員のお客様は、会員IDカードの裏面に記載の会員サービス番号あるいは1-800-565-9140 (TTY: 1-800-848-0298)まで、お電話にてご連絡ください。

PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Kung ikaw ay isang miyembro, tawagan ang numero ng Serbisyo sa Miyembro na nasa likod ng iyong Kard ng ID ng Miyembro o sa 1-800-565-9140 (TTY: 1-800-848-0298).

ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। अगर आप सदस्य हैं तो अपने सदस्य आईडी कार्ड के पीछे दिए गए नंबर या 1-800-565-9140 (TTY: 1-800-848-0298) पर सदस्य सेवा नंबर पर फोन करें।

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Если Вы являетесь участником, позвоните в отдел обслуживания участников по номеру, указанному на обратной стороне Вашей идентификационной карты участника, или по номеру 1-800-565-9140 (TTY: 1-800-848-0298).

توجه: اگر بہ زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد. در صورتیکه عضو هستید، با شماره خدمات اعضا در پشت کارت شناسایی عضو خود یا 1-800-565-9140 (TTY: 1-800-848-0298) تماس بگیرید.

ATANSYON: Si w pale Kreyòl Ayisyen, gen sèvis èd pou lang ki disponib gratis pou ou. Si ou se yon manm, rele nimewo Sèvis Manm ki sou do kat ID Manm ou an oswa 1-800-565-9140 (TTY: 1-800-848-0298).

UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Członkowie mogą dzwonić pod numer działu Member Service podany na odwrocie karty identyfikacyjnej członka lub numer 1-800-565-9140 (TTY: 1-800-848-0298).

ATENÇÃO: Se fala português, encontram-se disponíveis serviços linguísticos, grátis. Caso seja membro, ligue para o telefone do serviço de Atendimento ao Membro informado no verso de seu cartão de identificação de membro ou para 1-800-565-9140 (TTY: 1-800-848-0298).

ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Se è un membro, chiami il numero del Servizio per i membri riportato sul retro della Sua scheda identificativa del membro oppure il numero 1-800-565-9140 (TTY: 1-800-848-0298).

Díí baa akó nínzín: Díí saad bee yánítí'go Diné Bizaad, saad bee áká'ánída'áwo'déé', t'áá jiik'eh, éí ná hólog. Naaltsos bee ná ha'dít'éego, Naaltsos Bá Hada'dít'éhígíí ninaaltsos nit'i'izi bee nééhozinígíí bine'déé' Naaltsos Bá Hada'dít'éhígíí Bee Áka'ánída'áwo'í bibéesh bee hane'í biká'ígíí bee hodílníh doodago 1-800-565-9140 (Doo Adinits'agóógo q TTY: 1-800-848-0298) bee hodiilnih.

WICHDICH: Wann du Deutsch schwetzschst un witt en Translator, kenne mer eener griege fer dich unni as es dich ennich ebbes koschte zellt. Wann du en Member bischt, ruf der Member Service Number uff as uff die hinnerscht Seit vun dei Member ID Card is odder ruf 1-800-565-9140 (TTY: 1-800-848-0298) uff.

FAAMATALAGA: Afai e te tautala i le Gagana Samoa, o lo'o avanoa mo oe auaunaga fesoasoani i le gagana e leai se togoti. Afai o oe o se sui, fa'amolemole vala'au le numera o le Member Service o lo'o i tua o lau pepa ID po'o le 1-800-565-9140 (TTY: 1-800-848-0298).

ATENSHUN: Gare iga gogal Kapasal Falawasch, ye fri ngalug yamem bwe tepangung rel iye kepat kaale. Nge gare iga gel gosa fasiul log bwe semal member, gosa kol yegilii nampal Member Service woal pak rel Member ID kard la yamw gare kol yegilii 1-800-565-9140 (TTY: 1-800-848-0298).

ATENSIÓN: Kumu un tungo fuminu' Chamoru, guaha dibatdi na setbision asistimentun lengguahi para hágu. Kumu membro hao, pot fabot agang i Setbision Membro na numeru gi santatin iyomu ID card Membro pat 1-800-565-9140 (TTY: 1-800-848-0298).