

Understand
your benefits.

**EDUCATION
MATTERS**



SAVE WITH A HEALTH SAVINGS ACCOUNT

Pay for hundreds of expenses — tax free.

What is a Health Savings Account (HSA)?

A health savings account is an individual savings account you can contribute to, invest in and receive certain distributions from on a tax-free basis. It can be used to pay for qualified medical expenses tax-free. To open and contribute to an HSA, you must first be enrolled in a qualified, high-deductible health plan (HDHP). You also typically can't be enrolled in any other medical coverage (even as a dependent).

What's a qualified HDHP?

A qualified HDHP requires you to pay the full amount for most of your health care expenses (rather than copayments and coinsurance), up to your plan deductible before the plan begins to pay benefits. There are some exceptions to this guideline, like certain preventive services and exams.

HDHPs typically have a lower premium and higher deductible than other major medical plans. Once you reach your deductible or out-of-pocket maximum (OPM), Wellmark will pay all your covered medical expenses.

It's your money.

Money in your HSA that you don't spend rolls over from year to year. So, if you change jobs, switch health plans or even retire, your HSA dollars are still yours to keep.

The Internal Revenue Service (IRS) sets limits on how much you can contribute to your HSA each year. You can then spend or save that money depending on your situation. You can even choose to invest a portion or all your HSA, and watch any interest and investment earnings accumulate tax-free.

HOW AN HSA WORKS



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