

## WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

A Health Savings Account, or HSA, is a tax-favored savings account that can be contributed to by, or on behalf of “eligible individuals” who are covered by certain high-deductible health plans (HDHPs). An “eligible individual” is anyone who is:

- Covered by a High Deductible Health Plan (HDHP);
- Not covered under another medical plan that is not a High Deductible Health Plan;
- Not entitled to Medicare or Medicaid benefits;
- Not eligible to be claimed as a dependent on another person’s tax return; and
- Not eligible for Tricare.

## WHAT IS A HIGH DEDUCTIBLE HEALTH PLAN (HDHP)?

A qualified High Deductible Health Plan (HDHP) is a medical plan that:

- Provides coverage for medical expenses.
  - Has a minimum annual deductible that meets IRS-stated amounts (these amounts are indexed for inflation and may increase each year). 2026 amounts:
    - Minimum of \$1,700 for single coverage
    - Minimum of \$3,400 for family coverage
- Does not pay any medical expenses, copays, office visits or co-insurance until the applicable deductible is satisfied, other than for preventive care.
  - Has a maximum out-of-pocket expense that does not exceed the IRS-stated amounts (these amounts are indexed for inflation and may increase each year). 2026 amounts are:
    - Maximum of \$8,500 for single coverage, except for out-of-network claims
    - Maximum of \$17,000 for family coverage, except for out-of-network claims



## HEALTH SAVINGS ACCOUNTS

If you are enrolled in a health plan that does not meet the criteria for a HDHP (i.e., through your spouse's employer), you may not set up a HSA and you must stop contributing to any HSA you do have. You may be covered by the following types of plans without losing the ability to open or contribute to a HSA:

- Dental and Vision Plans
- Short and Long-term Disability
- Life and Accident Insurance
- Long-term care
- Certain Flexible Spending Arrangements (also called Section 125 or Pretax Medical Reimbursement Accounts):
  - Insurance for specific types of diseases or illnesses (i.e., cancer plans); hospital indemnity plans
  - Limited Purpose or Post-deductible FSA or HRA

If you are enrolled in Medicare or Medicaid, you are not eligible to contribute to a HSA. If you have coverage under Tricare (military insurance), you are not eligible for a HSA. On the other hand, veterans enrolled in a HDHP (with no other disqualifying coverage) and who have a service-connected disability are able to make or receive HSA contributions regardless if they receive VA benefits. This eligibility expansion for veterans was effective on January 1, 2016.

**Annual HSA contribution limits for 2026 are:**

- **\$4,400 for single coverage**
- **\$8,750 for family coverage**

**Individuals that are age 55 or older may be eligible to make a catch-up contribution of \$1,000.**

CONTRIBUTION LIMITS

**You can use the funds in your HSA account to pay for qualified medical, dental and vision expenses, as defined by the IRS, incurred by you, your spouse and your eligible dependents. EBIA Health Care Expense Table available at [www.benefitextras.com](http://www.benefitextras.com) for a list of eligible expenses. Access code: HCET2022**

ELIGIBLE EXPENSES

## HEALTH SAVINGS ACCOUNTS



- **Easy online enrollment** – create a HSA account using a convenient, paperless process, with no minimum balance required, along with direct deposit and investment accounts.
- **Flexible contributions** – you can choose the best method for making contributions to your account.
- **Convenient funds access** – you can access your funds through online distribution requests, or by using the convenient Benny benefits debit card. Distributions can be sent to you by direct deposit or check (check fees will apply). You will get a debit card that you can use for easy payment of qualified medical expenses at the point of service, with funds immediately transferred from your HSA account.

## WHY CHOOSE BENEFIT EXTRAS' HSA PROGRAM?

- **Information at your fingertips** – you can review your account details, request distributions, submit post-tax contributions from your personal bank account, view statements and tax documents and allocate funds into an array of investment options using our convenient online portal available 24/7.
- **World-class custodian partner** – Benefit Extras partners with Healthcare Bank – one of the few banks nationwide to offer an HSA solution that seamlessly integrates HSAs with banking and investment services. There are no additional accounts to open and funds can be automatically moved to and from the investment accounts, per the designated “sweep” thresholds.
- **Comprehensive reporting** – reports are generated automatically with email alerts directing you to your secure portal for viewing – creating a virtually paperless process.
- **Compliance and Security** – our HSA platform, 1Cloud, meets or exceeds all of the security standards of the health care and financial services industry. 1Cloud is SSAE16 and PCI compliant and the platform has been tested to scale to meet all volume demands.

## HEALTH SAVINGS ACCOUNTS

**Now, more than ever, health care dollars need to go further, so the pre-tax savings with a HSA make sense. It is simple. It is smart. It will essentially give you a raise by reducing your taxes\*.**

*\*The amount you save in taxes with a Health Savings Account will vary depending on the amount you set aside in your account; your annual earnings; whether or not you pay Social Security taxes; the number of exemptions and deductions you claim on your tax return; your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings.*

## FOR ADDITIONAL INFORMATION REGARDING HSA ACCOUNTS:



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Refer to IRS Publication 969 (available at [www.irs.gov](http://www.irs.gov)) for use in preparing your individual tax return to find information about what is new to HSAs, qualified medical expenses, qualifying contributions and distributions, tax forms and more.