

# HEALTH SAVINGS ACCOUNTS

Health savings accounts (HSAs) are a great way to save money and budget for qualified medical expenses. HSAs are tax-advantaged savings accounts that accompany high deductible health plans (HDHPs). The funds may be used to pay for eligible medical, pharmacy, dental and vision expenses. This includes costs that apply to your deductible and coinsurance maximum. Please note, that if you are enrolled in Medicare or any other medical plan that is not HSA-qualified, you are not eligible to enroll in the HSA.

## WHAT ARE THE BENEFITS OF AN HSA?




There are many benefits of using an HSA, including the following:

- **Save today. Spend whenever.** With an HSA, there’s no “use it or lose it” rule. You decide whether to spend your money on health care expenses now or build your savings for expenses later. Any Wellness Rewards deposited into your HSA belong to you too.
- **Your savings grow tax-free.** Once your account has reached a threshold, you may be able to invest a portion of your HSA in mutual funds. Visit [optumbank.com](http://optumbank.com) to learn more.
- **It is portable.** The money in your HSA is carried over from year to year and is yours to keep, even if you leave the company.
- **It is a tax-saver**—HSA contributions are made with pre-tax dollars. Since your taxable income is decreased by your contributions, you’ll pay less in taxes.

The maximum amount that you can contribute to an HSA in 2024 is:

- **\$4,150 for individual coverage and**
- **\$8,300 for “employee plus dependent(s)” coverage**
- **Employees age 55 or older may make an additional “catch-up” contribution of \$1,000**

 **You may change your contribution amount at any time throughout the year as long as you don’t exceed the annual maximum.**

**Note for Annual Enrollment: Your 2023 HSA contributions will “roll-over” to 2024. Make sure to review the contribution amount during Annual Enrollment, as mid-year changes will impact the amount defaulted for 2024.**

## HSA CASE STUDY

*Justin is a healthy 28-year-old single man who contributes \$1,000 each year to his HSA. His plan’s annual deductible is \$1,850 for individual coverage. Here is a look at the first two years of Justin’s HSA plan, assuming the use of in-network providers. (This example only includes HSA contribution amounts and does not reflect any investment earnings.)*

YEAR 1	
HSA Balance	\$1,000
Total Expenses: – Prescription drugs: \$150	(-\$150)
HSA Rollover to Year 2	\$850
Since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	

YEAR 2	
HSA Balance	\$1,850
Total Expenses: – Office visits: \$100 – Prescription drugs: \$200 – Preventative care services: \$0 (covered by insurance)	(-\$300)
HSA Rollover to Year 3	\$1,550
Once again, since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	

## HOW TO SET UP YOUR HEALTH SAVINGS ACCOUNT

We've partnered with Optum to provide a no-fee HSA account. During the enrollment process, you will authorize us to set up a bank account on your behalf at Optum. Once you have passed the vetting process\*, you will receive a Welcome Kit and debit card.

- **If you elect to participate**, the account will be set up for you based on your election. You can elect to make pre-tax contributions of your own or opt to contribute \$0 and just receive the Wellness Program Reward contributions. You can always make changes to your pre-tax contributions throughout the year.
- **If you elect the HSA medical plan**, but choose not to establish an HSA, you will not receive the Wellness Program Reward contributions. If you elect to establish an account mid-year, your Wellness Program Reward contributions will begin at that time.
- **If you are already an Optum Bank HSA account holder and wish to keep your HSA account**, you will still need to elect your HSA account, even if you are not contributing at this time. A new account number will not be created if you notify Optum and request that they link your existing account with Briggs & Stratton, using our Group ID HB3767.

### \*Vetting requirements and providing additional documentation to Optum

- In accordance with the US Patriot Act, Optum Bank performs a CIP (Customer Identification Program) screening on all HSA applicants. The US Patriot Act sets forth minimum requirements that a bank must adhere to when a customer opens a new account or obtains a product of service. In certain situations, the bank is required to obtain additional documentation to open the employee's account, such as a copy of a Social Security card or a valid photo ID with your address.
- If Optum does not receive the required information and cannot open an account, any employee contributions will be returned to the company and credited back to your paycheck as taxable income.

SCAN ME to learn more about the Health Savings Accounts

- Videos
- Flyers / Brochures
- Online Tools & Resources



## HSA OR FSA

### WHICH IS THE BEST ACCOUNT FOR ME?

Choosing benefits is a personal decision. These types of accounts can help you to save for health care expenses, but they do so in different ways. In choosing which option is best for you, you'll want to consider other factors such as those listed below.

ACCOUNT FEATURE	HEALTH SAVINGS ACCOUNT (HSA)	HEALTH CARE FLEXIBLE SPENDING ACCOUNT (HCFA)
You may contribute pre-tax contributions	Yes	Yes
Briggs & Stratton Wellness Rewards will be deposited into the account	Yes	No
Maximum Annual Contribution	\$4,150/ Individual \$8,300/ Family	\$3,200 per taxpayer
Money in your account can earn tax-free interest and dividends	Yes	No
Unused balances will be carry over into the next year	Yes	No
Portability (you can take it with you)	Yes You will be responsible for maintenance fees if they apply.	No (Only if you elect COBRA and continue to make after-tax contributions)