

# Fact sheet:

## Health Savings Accounts (HSAs)

FURTHER<sup>SM</sup>

### **Q:** What is an HSA and how does it work?

**A:** A health savings account (HSA) is a tax-advantaged account that works in conjunction with an HSA-eligible health plan that meets IRS guidelines and allows the participant to save tax-free money for eligible medical expenses. Money in an HSA rolls over year after year and is owned by the participant even if they change jobs or health plans.

### **Q:** How do employees save on taxes with an HSA?

**A:** Account holders receive a "triple tax benefit":

- **Reduce taxable income** - HSA contributions through payroll are made pre-tax, which lowers tax liability on paychecks. Manual contributions are tax deductible when filing taxes each year.
- **Tax-free earnings** - Interest growth earned on HSA funds is never taxed.
- **Tax-free distributions** - HSA funds are not taxed when used for eligible expenses.

### **Q:** Is a debit card available?

**A:** Yes. A Visa® debit card is available for eligible medical expenses, and can be used at the point of purchase or after care.

This card is issued by the Bancorp Bank, pursuant to a license from Visa U.S.A. Inc. and can be used for qualified expenses wherever Visa debit cards are accepted.

### **Q:** What are the IRS guidelines the health plan must meet?

**A:** An HSA can only be opened with a health plan that meets the following IRS rules:

**2021 Requirements:**

**2022 Requirements:**

Single      Family

**Minimum annual deductible**

\$1,400    \$2,800

An individual (embedded deductible) on a family policy cannot be less than the minimum family deductible amount listed established by law



Single      Family

Out-of-pocket maximum	\$7,000	\$14,000
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The maximum for the health plan cannot exceed these amounts

**Additional Requirements:**

- You cannot be claimed as a tax dependent by someone else.
- You cannot be enrolled in Medicare or Tricare.
- You cannot be covered under a health plan (as an individual, spouse, or dependent) that is not an HDHP.
- If you are also covered by a medical flexible spending account (FSA), it must be a limited FSA, covering only vision and dental expenses.

*Note: This applies even if the FSA is in your spouse's name.*

- If you are also covered by a health reimbursement arrangement (HRA), it must be a limited HRA, covering only vision and dental expenses.

*Note: This applies even if the HRA is in your spouse's name.*

If you are not sure if your plan is HSA compatible, please contact your insurance company.

**Q: What expenses can be paid from an HSA?**

**A:**

Any out-of-pocket and unreimbursed medical expenses allowed under section 213(d) of the Internal Revenue Code, including medical premiums (under limited circumstances) and long-term care expenses.

For a detailed listing, see [Eligible Expenses](#).

**Q: How is an HSA funded?**

**A:** Contributions to an HSA can come from the account holder, the employer, or both. The HSA contribution limits for individual or family health plans change annually and are as follows:

The table below displays the current HSA contribution limits. Current contribution information can be found on the U.S. Department of Treasury website at [treas.gov](#).

Tax Year	Individual Coverage Limits	Family Coverage Limits
2021	\$3,600	\$7,200



Tax Year	Individual Coverage Limits	Family Coverage Limits
2022	\$3,650	\$7,300

Once age 55, members can contribute an additional \$1,000 towards their HSA (either individual and family coverage).

**Q: What HSA investment options are available?**

**A:**

If desired, the account holder can leave the entire HSA balance at Further, where it earns interest, or choose to invest a portion of it. Once an HSA base balance exceeds \$1,000, the account holder can open a basic, self-directed investment account, which gives access to more than 30 no-load and load-waived pre-selected mutual funds. At least \$1,000 must be kept in the base balance of the HSA account.

In addition, when the basic investment account balance exceeds \$10,000, the account holder can open a self-directed brokerage investment account with Charles Schwab. This account allows access to more than 2,500 mutual funds from a variety of families, as well as stocks, bonds, and other investments.

**Q: Do you have an FDIC-insured HSA plan?**

**A:** Yes, our Further Select HSA plan is FDIC-insured.

**Q: What are the fees?**

**A:** We are proud to offer HSA plans with market leading interest rates and competitive fees. From our FDIC-insured Further Select HSA plan, to our high-return Further Premium HSA plan, we have an account type to fit any need.

Plan Type	Base Balance				
	\$0-\$2,499	\$2,500-\$9,999	\$10,000-\$14,999	\$15,000-\$24,999	\$25,000+
Further Premium HSA	0.35%	0.45%	0.50%	0.60%	0.70%
Further Value HSA	0.05%	0.10%	0.10%	0.15%	0.20%
Further Select HSA*	0.05%	0.07%	0.07%	0.10%	0.10%
BasicSaver**	0.15%	0.15%	0.20%	0.30%	0.45%
FreeSaver**	0%	0%	0%	0%	0%

Interest rates effective as of June 1, 2020.



\*The Further Select HSA is FDIC insured.

\*\*BasicSaver and FreeSaver are legacy products that were discontinued as of 1/1/19; we continue to support any members who have these plans.

