

How Much Should I Contribute to my HSA?

Congratulations! You're enrolled in a health savings account (HSA). With an HSA, you can pay for your health care costs AND save money! Consider these strategies when you decide how much to contribute to your HSA.

An HSA allows you to earmark dollars exclusively for medical expenses. You – and possibly your employer – put pre-tax dollars into the HSA, and you can spend that money on qualified health care costs without paying tax on it (you can also invest it tax-free). Also, your HSA belongs to you. It's not connected to your job. Any money that goes in is yours to keep. Forever.

A guide to help you

But how much should you contribute to your HSA? It can seem complicated. While there is no "one size fits all," there are some reliable, commonly-used options to consider:

Option	Details	Benefit to you
Contribute the maximum amount.	In 2021, the IRS allows individuals to contribute \$3,600 to an HSA, and \$7,200 for families. If you are over age 55 you can contribute an additional \$1,000. If your employer is also contributing to your HSA, it counts toward this annual maximum.	Doing this helps you take full advantage of the HSA's tax benefits: it lowers your taxable income and gives you the most tax-free interest on your account.
Contribute up to the out-of-pocket maximum for your health plan.	This is the most you can spend from your own pocket in the coming year on your health care expenses before your health plan covers everything. It includes your deductible and any costs you must pay after you meet your deductible (such as a copay).	This helps ensure you'll have enough money set aside for a "worst-case-scenario." If you enjoy good health this year, your money rolls over—potentially covering you into retirement.
Contribute up to your health plan deductible.	This is the amount you pay toward your health care bills before your health insurance begins to contribute. Your HSA can cover those costs.	The period before you hit your deductible is typically where you'll feel the most financial burden for care. Covering your deductible helps insulate your personal or household budget from health care costs.
Try to match your employer's contribution.	Employer contributions may come in the form of a lump sum, but often they are spread throughout the year—for example, on a quarterly basis.	Contributing even a small amount to your HSA lets you take advantage of the tax benefits of the account.



How does the money get into my account?

Once you decide how much to contribute, you can either set up direct deposit from your paycheck or make occasional deposits from your bank account. You can find more information about ways to contribute to your HSA [here](#).

Remember, every dollar you deposit into your HSA will help reduce your income taxes. By opening an HSA you're taking a great step toward ensuring a solid financial foundation for your health care needs.

Learn more

To learn even more about your HSA and how to use it to pay for your health care costs, visit our Learning Center. Our expert Customer Solutions representatives are available to help you, too:

800-859-2144

7 a.m. to 8 p.m. Central Time, Monday through Friday

